FINANCIAL TIMES

No. 25,524 Friday August 6 1971 ** 6p

News Summary

...ERAL

...Storm ...over ...Oz ...ailings

...major controversy broke out ...t night over the jailing of ...e editors of Oz, the under...ound magazine.

...Amid the uproar, the maga...'s new editorial Board ...ed their next issue would ...bombshell. This time they ...need the sedition laws, not ...the obscenity laws, to bust ...promised Board member ...Widgery.

...Eleven MPs, including former ...nisters Anthony Wedgwood ...nn, Richard Traverne and ...n Stonehouse, tabled a Com...ns motion expressing shock ...the severity of the sentences.

...'Revenge'

...t said the sentences discredit ...tish justice and will be seen ..."an act of revenge by the ...ablishment against dissenting ...es."

...he sentences passed by Judge ...yle were: Richard Neville, ...months and recommended ...ortation; James Anderson, 12 ...nths and Felix Dennis, nine ...nths. Oz Publications Ink ...was also fined £1,000 and ...ered to pay costs up to £1,250. ...three men are to appeal ...inst sentence and conviction.

...rrests

...hock at the sentences turned ...placard-carrying hippies out... the Old Bailey into an angry ... A kerbside battle broke ...with police and demonstra... were arrested.

...mong critics of the sentences, ...Haldane Society, which ...ribes itself as an organisa... of "progressive" lawyers. ...it considered they would ...ing the law into disrepute."

...owever, Mrs. Mary White...se, the clean-up TV cam...ner, said she considered the ...ences to be "about right."

...te last night, Judge Argyle's ...e was under round-the-clock ...d.

...roll in space

...llo 15 astronaut Al Worden ...e the first spacewalk outside ...h orbit when he made three ...-over-hand trips along the ...of Endeavour to retrieve film ...the instrument bay and ...k instrument problems. The ...ecraft's flight path was so ...rate a mid-course correction ...cancelled.

...joint U.S.-Soviet manned ...e mission is "a distinct pos...ity by 1974," said Philip ...ertson, a top planning ...utive of NASA.

...ys of art

...mily living in a Marseilles ...rb struck it rich when they ... three dust-laden paintings ... be cleaned. Four inde...lent experts confirmed one ... a Watteau, another a Velas..., and the third a Rembrandt.

...ories gaining'

...our's lead over the Tories has ...pped from 11 per cent. to 5 ...cent., according to the latest ...ion Research Centre poll, ...h also found Mr. Wilson's ...pularity rating" to have fallen ...ints, still one point ahead of ... Heath. Page 19

...iefly . . .

...blishment of a Council for ...Ireland was proposed in the ...mons by "shadow" Home ...etary Callaghan. Page 19

...ket: England were 219-7 ...kburst 78) in the second ...'s first day at Old Trafford. ...: 6

...two men charged in Sydney ...exorting $A½m. from Qantas ...e remanded in custody pend... trial.

...number of narcotic drug ...ts fell by 2.4 per cent. to ...) in 1970 compared with a ... earlier, said the Home ...e.

...east 40 died and 76 were in...d when a passenger train ...ided head-on with a freight ... Belgrade.

...iest rainfall since records ...n in 1940 was recorded by ... London Weather Centre: ... inches in 24 hours. Floods ...ed Kings Cross station.

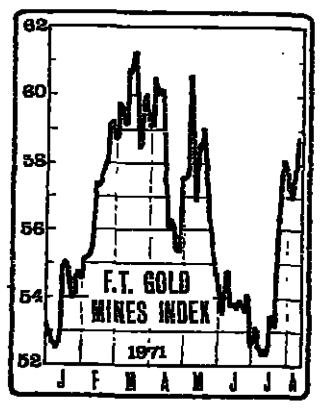
... Sir Basil Eugster, 56, is to ...ome C-in-C U.K. Land Forces ...n the new command is ...ned next April.

BUSINESS

London equities rally

● LONDON EQUITIES rallied yesterday on "cheap" buying, the firmer Wall Street trend and better-than-expected figures from Royal Dutch-Shell. The index ended 5.4 up at 394.9.

● GOLD SHARES had new rises though they were less marked. Their index added 0.8 at 58.8.



● WALL STREET'S index, at one time 6.64 up, ended at 849.45 for a 3.94 net rise.

● MAJOR CONTRACTS for setting up a £215m. oil-fired power station on the Isle of Grain have been placed by the CEGB. At 3,300MW it will, it is thought, be the world's biggest. Contracts include: GEC group, five turbine generators £45m.; Babcock and Wilcox, boiler plant £37m.; John Laing and Son, group civil engineering and building £33m.
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UCS 'order stop' denied

● A UCS SHOP STEWARD'S charge that Mr. Davies, Trade and Industry Secretary, had "intervened and stopped" negotiations for new UCS ship orders was denied last night by the Department. It said the UCS directors' decision to seek liquidation had "automatically brought to an end discussions on new orders."
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● PROGRESS ON TRISTAR and the RB-211 engine negotiations will be reviewed when Mr. Daniel Haughton, Lockheed chairman, meets Mr. Corfield, Aerospace Minister, to-day. Last night Mr. Haughton, after seeing Lord Coles, chairman of Rolls-Royce (1971), said he was impressed with the engine's development: everything was "coming along all right."
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● McDONNELL DOUGLAS has brought forward by 11 days the first commercial flight of its DC-10 rival to the TriStar. The DC-10 flew on United Airlines' Los Angeles-Chicago route. McDonnell Douglas has postponed its $50m. offering of six-year Notes due to adverse market conditions.
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Dutch-Shell income up

● ROYAL DUTCH-SHELL grup second-quarter net income, £105.6m., is 15.7 per cent. above that of the 1970 quarter. It brings the first-half total to £212.5m., or 15.5 per cent. up. Sales volume of crude oil and oil products outside North America in the second quarter was 2.4 per cent. above the 1970 quarter's.
Page 14; Lex

● A NATIONAL STOCK MARKET is needed for the U.S., with institutions excluded from membership, says Mr. McChesney Martin's report on the future of the American securities industry, out to-day. He says the New York Stock Exchange should meanwhile be drastically overhauled to give investors more say in its working.
Back Page

● GENERAL MOTORS, biggest U.S. car concern, plans to raise prices of new model-year cars, due out in a few weeks, by a 4.1 per cent. average of $152 a car. This is less than rises envisaged by Ford and Chrysler.
Page 5

A single authority for gas in big reorganisation

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

A single authority, the British Gas Corporation, is to be set up for the gas industry, combining the responsibilities of the Gas Council and the area boards, the Government announced yesterday.

It also announced the appointment of Mr. Arthur Hetherington, the present deputy chairman, as Sir Henry Jones's successor as chairman of the Gas Council from December 31 this year, when Sir Henry retires. Mr. Hetherington, who is 60, will become chairman of the new BGC then it starts to operate, probably early in 1973.

Mr. Denis Rooke, 47, at present Board member for production and supplies, is to become deputy chairman.

Sir John Eden, Minister for Industry, who announced the new management structure would not be drawn on the question of whether the changes were part of a reorganisation which would see the present Gas Council losing its virtual monopoly position as purchaser of North Sea gas in Britain.


Mr. Arthur Hetherington

Discussions

Equally, until current discussions have been completed, Sir John would not say whether speculation that the Government plans to "hive off" the retail interests of the area gas boards in High Street showrooms was correct.

The area boards sell about 90 per cent. of their cookers, refrigerators and small appliances through their 1,100 gas showrooms.

Sir John did indicate, however, that he expects to be in a position to end the uncertainty which still surrounds the industry before the end of this year.

Explaining the reorganisation measures announced yesterday, Sir John said that the successful exploitation of natural gas had brought about a fundamental alteration in the nature of the industry.

The local manufacture of gas from coal and oil was rapidly declining and natural gas already accounted for the bulk of gas used in the U.K. The supply of gas had to be organised on a national scale.

Compensation

The new Corporation would have primary responsibility for determining the industry's internal management structure, he emphasised, and for the appropriate devolution of functions to local managements.

At the same time, the Corporation will be required to continue Scottish and Welsh administrative units, and Sir John promised that when he is making appointments to the Corporation he will keep in mind the advisability of including members familiar with regional requirements and circumstances.

Local consumer consultative machinery will continue to operate and, in addition, a national gas consultative council will be established.

Compensation will be paid to Board members and employees "adversely affected" by the reorganisation. Sir John emphasised, however, that there was unlikely to be an effect on employment in the industry in the short-term.

Terms of ICI's Viyella deal

BY SANDY McLACHLAN

ICI IS TO PAY Carrington Viyella £10m. in cash as part of the consideration for its acquisition of CV's U.K. yarn texturising interests.

In addition, CV will get royalty payments from ICI for five years subject to a minimum annual figure of £350,000. The ICI acquisition takes effect from October 2, and Carrington will retain the profits of the companies concerned up until that date.

The proposed acquisition by ICI of the three CV texturising subsidiaries was first announced a week ago as part of ICI's new blueprint to bring the yarn manufacturer and the texturiser closer. At the same time it announced a bid for the outstanding equity of Qualitex yarns which values Qualitex at a little short of £13m.

Excluded

The three companies which ICI is taking from CV are William Tatton, Aycliffe Textiles, and Cheslene and Crepes. Excluded from the agreement are the remaining CV texturising subsidiary in the U.K., Robinson Brothers, and also the CV Italian yarn texturising subsidiary.

The net tangible assets of the three companies at December 31, 1970, amounted to £9.4m. before deducting inter-company indebtedness. Profits for nine months for Tatton and Cheslene to December 31 were £817,000, and the full year figure for Aycliffe was £426,000. However, profits in the current year are expected to be below last year's full-year figures.

In view of the fact that ICI still has a majority stake in CV, S. G. Warburg was called in to act as independent adviser, and has given its opinion to the effect that the terms are fair and reasonable.

Dollar stays weak after French curbs

BY MICHAEL BLANDEN

THE dollar remained generally weak yesterday as the dust began to settle on the confusion caused by Wednesday's French moves to stop speculation in the franc. There was still a good deal of uncertainty in most centres about the detailed implications of the Banque de France's instructions to the French banks.

It was being accepted, however, that in spite of their unfortunate initial impact, the French measures would have the desired effect. Some London banks were still quoting a dual rate for the franc, though it was argued in Paris that the "off-shore" market in francs for speculative purposes could not develop to any significant scale.

The French determination to stop pressure for a franc revaluation, it was felt, would have the effect of calming the foreign exchange markets, though it might be after the week-end before the banks in Paris and elsewhere had worked out full details of how the new rules would operate.

While the underlying weakness of the dollar would remain a possible source of trouble, the immediate cause of speculative movements had been removed.

London active

In Paris, leading bankers met with the deputy governor of the Banque de France for elucidation of the new rules forbidding them to buy speculative foreign funds. Later, they were busy working out how, in practice, they should meet the requirement to distinguish between speculative orders from abroad for francs and those arising from commercial transactions.

Meanwhile, the foreign exchange market in Paris was very quiet, with the franc again at its ceiling of 5.5125 to the dollar.

In London, dealings were quite active, in spite of continued uncertainty about the French regulations and various conflicting rumours. The franc again ended at its ceiling against the dollar.

Some banks were quoting a separate "offshore" franc rate, at one stage showing a modest premium at 5.5065 to the dollar; later, however, the gap between the two closed with the non-commercial franc quoted at 5.5100-5.5125.

The D-Mark was again particularly strong against the dollar ending at DM3.4442½ against the previous close of 3.4510. The guilder strengthened, while the Belgian franc was at its dollar ceiling. The pound, however lost a little ground, partly for technical reasons, closing at $2.41[illegible] for a fall of [illegible].

Reflecting the previous interest, gold was fixed in the morning at its highest fixing level for two years at $42.80 an ounce, though by the close it had come back to end unchanged on the day at $42.75.

See also Page 17

Barber for Paris talks next month

By Michael Simmons

MR. ANTHONY BARBER, Chancellor of the Exchequer, has accepted an invitation from M. Valéry Giscard d'Estaing, the French Finance Minister, to visit Paris for talks on September 7. Their last formal meeting took place in November when Giscard d'Estaing was in London.

An official statement, issued in Paris yesterday, said the talks would concentrate on the workings of the international monetary system and also take in an exchange of views on economic matters affecting the two countries.

It is highly likely they will also compare notes on the probable agenda for the International Monetary Fund meeting due to take place in late September.

Earlier this week, Mr. Barber acted as host to Baron Jean-Charles Snoy et d'Oppuers, the Belgian Finance Minister.

Top U.S. committee for trade talks with EEC

BY GUY DE JONQUIERES

WASHINGTON, August 5.

IN AN unprecedented step, the members of one of the most powerful committees on Capitol Hill have accepted an invitation to go to Brussels to discuss trade and economic relations between the U.S. and Europe with the Common Market Commission.

Mr. Wilbur Mills, chairman of the House of Representatives' Ways and Means Committee, disclosed to-day that the visit has been arranged for October 3, 4 and 5. In his usual cautious style, he would only say that he would "probably" go himself, but he is expected to decide to lead the delegation.

The news has been received with great interest in Washington. It comes at a moment when trans-Atlantic trade relations are under noticeable strain and the future of the dollar in the world monetary system is being actively discussed in Europe.

Never before

The planned visit is most unusual. Although other groups of U.S. Congressmen have visited Brussels in the past, they have rarely been so influential as the Ways and Means Committee which has not travelled abroad on such a mission before in living memory.

The invitation appears to reflect the realisation inside the EEC Commission that its traditional negotiations with the Federal Administration cannot hope to cover all points of view in the U.S. on trade questions and that some of the more obstinate problems cannot be tackled without discussions with members of Congress as well.


Mr. Wilbur Mills

Mr. Mills and his committee have long been recognised as the most important trade and tax policy-makers in Congress and played a key role in the debate on proposals to restrict imports of textiles, shoes and other products last year.

More recently, Mr. Mills has incurred the undisguised anger of the White House by his self-appointed role in the negotiation of agreements with the Japanese textile industry and the Italian Government voluntarily to limit exports of man-made fibres and shoes to the U.S.

There was no comment from the White House to-day on Mr. Mills' announcement and officials at the European Common Market office in Washington would say only that the Administration had been informed of the invitation.

The announcement is also a fine feather in Mr. Mills' cap. He is being pressed by his supporters to enter the 1972 Presidential race, and though he maintains that he is not running for that office he has recently taken to travelling around the country and making speeches attacking the Nixon Administration's economic policies.

The EEC has been increasingly concerned by the deterioration of trade relations with the U.S. and by recent manifestations of protectionist trends in Congress, which has been under pressure for action to halt the rising level of imports.

By inviting Mr. Mills for serious discussions, the Europeans presumably hope to establish a first-hand rapport with him which will help prevent the passage of future legislation along the protectionist lines of last year's defeated Trade Bill.

The agenda for the discussions has still to be arranged. But neither side will lack topics. Mr. Mills has recently expressed fears that the deterioration of the U.S. balance of payments, on both the capital and trade accounts, has created a "crisis of confidence" in the U.S. throughout the world.

More specifically, he sharply criticised the EEC's border taxes as being a barrier to American exports and recommended that the U.S. adopt border taxes and an export tax rebate system to assist a recovery of its international trade position.

Rowntree to raise bid for Bovril

By Sandy McLachlan

A NEW Rowntree Mackintosh offer for Bovril was foreshadowed yesterday by the Bovril chairman, Mr. Hugh Lawson Johnston.

He has circulated Bovril shareholders, advising them to reject the increased Cavenham Foods offer because the Bovril Board is negotiating with Rowntree Mackintosh for a better offer from them.

The Cavenham offer is in the lead at around 423p a share, valuing Bovril at £13m. The first Rowntree Mackintosh offer was worth 355p, and the first Cavenham ranging shot was 310p.

But with both Beecham and the Argentinian consortium headed by Mr. Juan Del Azar still on the sidelines, the stock market is looking for better things yet. Bovril shares have remained consistently above the bid price and finished yesterday with a 2½p gain at 457½p.

ROME CAFE FOR GRAND MET.

Grand Metropolitan Hotels has bought the Societa Esercizio Caffe Excelsior Roma (SECER), which owns and operates the Café de Paris on the Via Veneto in Rome. The café adjoins the Savoy Hotel which the group bought in June.

ON OTHER PAGES

Truman shares: Watney's top price

BY KENNETH GOODING

WATNEY MANN yesterday revealed that it had paid the highest price so far for Truman Hanbury Buxton shares—451.61p each, or nearly 12p above the value of the new Grand Metropolitan Hotels bid announced on Wednesday.

Some 167,872 shares were picked up at this price—representing about 1.5 per cent. of Truman's issued capital—taking Watney's stake in the fellow brewers to something over 29 per cent.

A spokesman for Watney's advisers, Guinness Mahon, said that not too much should be read into this purchase. "The shares came on offer only 10 minutes after Grand Metropolitan announced its revised terms. We decided we would rather have the shares than let the other side get hold of them. So we were forced to pay a high price for a few shares, but there is no more significance in it than that."

However, Watney still has not thrown in the towel and will probably wait until the formal documents carrying Grand Met.'s revised terms go out before making its next move.

DTI delay

Watney is also taking in its stride the delay in a decision by the Department of Trade and Industry on whether or not to refer the Truman bid (or bids) to the Monopolies Commission. Mr. Michael Webster, chairman, said yesterday: "It is not surprising that the decision is taking a bit of time."

He revealed that Watney had been in constant touch with the DTI since it first announced it would bid for Truman.

Not first time

Observers feel that the only possible sensitive area in a Watney-Truman link-up would be on the retailing side, but it is understood there is only one small area in the East End where the two combined would have more than 30 per cent. of the public houses.

Also it is not the first time the DTI has approved a brewery merger of similar size. Exactly a year ago the go-ahead was given to Courage's £40m. bid for John Smith's Tadcaster Brewery after Courage had given various assurances about its future trading policies.

The Truman share price closed 3p up at 443p last night—a little above the value of the latest Grand Met. offer, but very few shares were available even though it is understood both rival bidders were looking for them in the market.

S. G. Warburg, Grand Met.'s advisers, filled in a detail of the new offer by announcing that each warrant to be offered as part of the bid package would carry an entitlement to subscribe in any year from 1972 to 1979 for one Grand Met. Ordinary at 205p, against last night's price of 184p (down 4p on the day).

...IEF PRICE CHANGES

...es in pence unless otherwise indicated)

RISES

...ock & Wilcox	268	+ 10
...lays Bank	597	+ 24
...ride Electrical	112	+ 4
...mercial Union	467	+ 9
...on Barton Secs.	362	+ 14
[illegible]	130	+ 4
...wed	173	+ 11
...d Junction	127	+ 6
Hay's Wharf	202	+ 25
Hill Samuel	120	+ 6
Imp. Chem. Indus.	317	+ 7
Jessel Securities	260	+ 8
Kinloch	415	+ 25
Macarthys Pharmac.	104	+ 13
Martin (J.)	22	+ 4
Nat. Westmin. Bank	503	+ 16
Newmark (Louis)	155	+ 15
Norcros	176	+ 8
Northern Develop.	230	+ 8
Norvic Shoe	62	+ 6½
Parkinson (Sir L.)	168½	+ 12½
Sunley (B.)	202	+ 10
Thorn Electrical	399	+ 9
Town & City Prop.	126½	+ 7
Vavasseur (J. H.)	168	+ 6
Shell Transport	408	+ 5
Hartebeest	235	+ 10
Northgate Explor.	450	+ 10
Tara Exploration	750	+ 15
West Wit.	900	+ 25
Western Reef	286	+ 13
Whim Creek	215	+ 5

FALLS

Cedar Hldgs.	83	− 10
Electrocomponents	277	− 13
Newman Inds.	74½	− 4
Reed (Austin) "A"	375	− 10
Ward (T. W.)	317	− 12
Charter Cons.	242	− 6
CAST	225	− 5

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Aug. 5	Aug. 4	Yr. ago
Industrial Group	163.72	163.07	—
500 Share	179.58	178.54	136.39
Div. Yield pc	3.69	3.71	4.73
P/E Ratio	17.46	17.36	14.05
All Share	176.36	175.19	138.24
Consols Yield pc	9.42	9.42	9.80

FINANCIAL TIMES

	Aug. 5	Aug. 4	Yr. ago
Govt. Secs.	73.94	73.77	71.25
Fixed Interest	73.88	73.87	72.64
Industrial Ord.	394.9	389.5	343.1
Gold Mines	58.8	58.0	48.7
Ord. Div. Yield	3.82	3.85	4.86
Earnings Yield	5.96	6.02	6.64
P/E Ratio	16.79	16.62	15.07
Dealings Marked	11,620	11,493	7,456

Industrial Ord. (noon) 391.9

For latest share index phone (01) 246 8026

ANNUAL STATEMENTS

Hepworth Ceramic	15
New London Properties	7
R. Paterson	14
J. W. Spear and Sons	7
Takeda Chemical Industries	5
Triplex Foundries Group	12

INTERIM STATEMENTS

Anglo-American Securities Corpn.	4
British-American Tobacco	17
Union Steel Corpn. (of S. Africa)	19

THE £ ABROAD

—	Close Aug. 5	Close Previous
New York (Spot)	$2.4183-4186	$2.4197-4200
Do. (1 month)	0.04-0.04 dis	0.09-0.06 dis
Do. (3 months)	0.31-0.27 dis	0.32-0.30 dis
Do. (12 months)	2.36-2.19 dis	2.38-2.35 dis

Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Paving the way for a £1 coin

Sir,—Mr. Evans' letter of July 31 needs comment.

The only increase in overall coin weight, that is, the total summation of the individual weights of the coins of this series, is due to the 50p coin, and because of the extension of the use of metal all the new bronze coins are reduced in weight. To extend the series by the introduction of either a 20p or 25p piece would increase the weight of coins to be carried and also increase the problem of *distinguishing between coins.*

When I was in contact with the authorities concerned it was anticipated that the change to decimal *currency* would be slower than in the event, and care was taken to select new coins different in size particularly from any of the old, as it was expected that both series would be in circulation together for a considerable period.

It is relatively easy, when starting with a new currency, to select readily differentiated coins, as has frequently occurred abroad in recent years. The simplest, most easily distinguished and most easily used coin series is one having the *fewest denominations.*

Four coins is the essential minimum for a cent series. Applying this in the United Kingdom, the essential coins would be of values ½p, 1p, 5p, either a 20p or a 25p, with abandonment of the 10p and 50p pieces. The multiples from one denomination to the next is constant, as far as possible, and sizes could be reduced correspondingly while maintaining *easy differentiation.* However, this can only be an objective.

Where personal preferences count for so much, and where *a new start* is impracticable, a compromise must be found. Nevertheless, a policy in the form of an ultimate objective would assist in many ways, not the least in the vending machine field. Machine vending or trading can yet go a long way further to providing round-the-clock facilities, save labour and reduce selling prices to the consumer.

The series suggested above would simplify machine vending as well as personal shopping. In addition, it would pave the way *for the introduction of a £1 coin.* This would bring economies in the cost of maintenance of the currency issue and additional selling facilities in automatic sales.

Your second correspondent (A. H. McKee) makes my point. Before the war we managed with a largest value coin of 2s 6d, with a current purchasing power of 62½p or more. It would therefore be practicable to have *a £1 coin to-day.*

Denis R. Cooper.

Fircroft,
86, Reigate Road,
Ewell, Surrey.

Excessive wage demands

Sir,—Professor F. W. Paish, in a pamphlet published by the Institute of Economic Affairs, has suggested, among other things, that employers hit by *strikes when they refuse to give* in to "excessive" wage demands should receive financial assistance from the Government (your report July 26).

Resistance to "excessive" wage demands is, of course, to be encouraged. But not all strikes spring from this cause, and even if they did, taxpayers' money ought not to be used to build up employers', any more *than trade unions', strike funds.* Besides, if employers deserve special Government recognition, they should be rewarded for avoiding strikes rather than for enduring them.

If, as also suggested by Professor Paish, companies granting big wage increases are to suffer tax penalties, it is to be hoped that those with a strike-free record will be singled out for favourable treatment. Better still, should companies positively promoting industrial peace and productivity through profit-sharing not be offered *positive tax relief?*

W. Grey.

12, Arden Road,
Finchley, London, N.3.

The national exhibition centre

Sir,—Mr. Ritson's letter (August 2) is so misleading that it cannot go unchallenged. The prejudice of some members of his Association is now well known but it should not be allowed to distort the facts.

He is incorrect in saying that the Department of Trade and Industry has said that, providing planning permission can be *obtained and Government subsidies* are not required, there is nothing whatever to stop the London Exhibition Centre going *ahead. What Mr. Anthony Grant,* Parliamentary Under-Secretary of State for Trade, said in the House on March 25, was "there is *nothing whatever to stop* London pursuing a scheme which does not involve public money if it also can overcome the planning problems."

Your readers, particularly if they are London ratepayers, should know that *public money* *is required for the proposed* London Exhibition Centre. Its financing proposals are based on the willingness of the GLC "to contribute up to £10m." towards the project. This was agreed in principle at the GLC meeting on June 22. The degree of public subsidy contemplated by the GLC is far higher than the Government grant of £1½m. and the £3m. deferred interest loan promised by the Birmingham Corporation in support of the National Exhibition Centre.

But the GLC, perhaps fearing reaction to what this will put on the rates, has made it clear that it is not committed to contribute the £10m. contemplated until planning permission for the site at Northolt is obtained, and it is satisfied that the project *is viable. No one should* under-estimate the doubts which still apply to the proposals for Northolt.

The Northolt site lies in confirmed Green Belt; it has traffic access problems; it is land-locked; and there is strong local *objection. It must now be the* subject of a public inquiry, with all the delay that implies. If the recent escalation of building *costs continues, about £2m.* annually will be added to the capital costs of the London Centre for each year it is *delayed.*

Costs

Mr. Ritson seems to infer that the difference in capital costs of the Birmingham and Northolt projects can be narrowed. The fact is that Birmingham's financial projections are based on firm plans calculated at January, 1972 prices and with the lead it already *has established* it will have a continuing economic advantage over Northolt. This will result in lower rentals for *Exhibition organisers and* Trade Associations.

He should also get his facts right about Birmingham's hotel *accommodation. The Birmingham* figures he quotes do not relate to hotel beds but to hotel rooms most of which are twin-bedded. *Those who wish to use London* hotels will be able to do so and travel to a station on the National Exhibition Centre site linked directly with the Exhibition halls. They will arrive in about the same time as that required to get to Northolt by underground, with its ensuing route march to the booking halls of the proposed London Centre. *By contrast, Birmingham's* visitors will travel at over 100 miles an hour in air conditioned comfort with meal services laid *on instead of straphanging in a* London tube.

Industry and visitors from overseas are expressing growing *concern at the escalating cost of* exhibiting, entertaining and meeting hotel bills in London. If Northolt proceeds it will tie *those wishing to use its facilities* to London costs, with all the disadvantages of remoteness of the site from Central London. On *the other hand those using* Birmingham will have much better value for money. Its central location with superb *access by road, rail and air* leaves open the option of using local or London amenities and is undoubtedly the best bargain *for industry and for visitors,* whether home based or from overseas. Many with imagination to see this are now working closely with my company. *In* time I believe that even the more prejudiced of Mr. Ritson's members will recognise the logic and hard benefits of our Birmingham project.

G. F. Cole,
Chairman,
The National Exhibition Centre,

75 Harborne Road,
Birmingham.

Causes of inflation

Sir,—As Mr. D. E. Wood says (August 3) the CBI call for price restraint touches only the fringe of the vast problem of inflation, and no doubt the CBI would agree. Would it be too naive to suggest that everybody is taking too much out of the economy with*out being prepared to put enough* back in exchange?

One aspect of this can readily be seen, over the past years and *even to-day in a number of in*stances, in the field of profits. So often does an increase in profits, automatically it seems, lead to *an increase in dividends,* much to the joy of the Stock Market, not to mention the Stockholder. Company news reporters, in fact, *frequently write in glowing* terms of the company that has had a very successful year's trading, or period of trading, and *the emphasis so often is placed* on the resulting rise in the price of the shares in anticipation of a higher return.

This is all *very understand*able but it does appear to ignore the consumer who, after all, has supported the company. Would *it not be a more sensible and* fairer policy, when the allocation of profits is being considered, for their distribution to *cover not only capital re-invest*ment and dividends but also a reduction in the price of the products or services concerned, *thereby making* a very practical contribution to the economy.

If the CBI would encourage this line of thought and, furthermore, ensure that companies and corporations which conform with this policy are given full publicity, the apparent need for increased dividends, wages and salaries should tend to diminish, and inflation could at least be given a *substantial knock.* As a form-master many years ago used to tell us at school—"Any fool can make money, but it takes a wise man to spend it."

E. B. London,

52, Crescenta Walk,
Bognor Regis,
Sussex.

Price restraint

White rails

Sir,—Mr. Paterson (August 2) is less than fair to Mr. Martin Weaver (July 28). Mr. Martin Weaver *entertains* views *that* have also troubled experienced railway engineers. It is a fact that, with temperatures at the higher limits above the medial, the stresses induced in continuous welded track by complete containment of thermal expansion closely approach the maximum permissible. Experience over the past 40 years has largely allayed these fears but has emphasised the need for the "support and anchorage" which Mr. Martin Weaver mentions.

Before the advent of the CWR track rail buckles were rare and when they *did occur* maintenance was found to be invariably at fault. My letter (July 19) was written a few days before the *Crewe Enquiry Report on the* school excursion train crash a month ago.

The short-rail type of track signalled the onset of trouble four months before the crash, the trackman having reported in February: "Very bad rail creep. *Very bad slack. Needs doing.*" In the old days with short-rail track only, adequate attention was paid to creep correction and *joint maintenance.*

With CWR track now taking the limelight the remaining sections of short-rail track seem to be suffering and Mr. Paterson *is* not justified, despite the opinion of the authority he quotes, in claiming superior safety for the *CWR track. Track safety is not* only a matter of a smaller number of joints to maintain but the problem of properly integ*rated design of rail,* rail fixture and sleeper.

In my letter (July 19) I suggested the broad qualities *required. May I trespass a little* further and elaborate my views? The sleeper should be heavy for stability and should present a *concave surface, or concrete* pockets, to the ballast, the surest way of locking the sleeper to the underlying formation. The *sleeper should be provided with* chairs with two-way tapered steel keys providing an absolute locking of the flat-bottomed rails to the jaws of the chairs, and so to the formation below.

The emphasis should be on a rigid track with a high track modulus—to which the above measures lead—and to perfection of line and level, which is also *a quality of this approach.* The rolling stock will provide all the springing necessary. When such a track "finds" itself it has a firmness and permanence comparable to that on ashpits in the old days of steam. Stress release at medial temperatures would only be required at relatively long intervals.

One last word. There has been a phobia for many years for clean ballast. At relatively *frequent intervals the ballast is* removed, cleaned and replaced, so destroying the compaction of the ballast so laboriously and expensively acquired and rendering the track vulnerable until it "finds" itself again.

I could never understand this. Drainage of the ballast section must, of course, be preserved, but it would have to be uncommonly dirty to require such frequent cleaning. Oil drippings from diesel locomotives do not help, but I suggest that the frequency of cleaning be considerably reduced. A little dirt is *good for permanent way as it* is for people.

And why not paint the rails white as is the pratice in some other countries to reduce, *if only* by a few degrees, the incidence of the highest temperatures?

J. M. Fenton, F.I.C.E.,

23, Carlisle Mansions,
Carlisle Place,
London, S.W.1.

Small business problems

Sir,—Your readers should not draw instant conclusions from *the generalisations about smaller* businessmen, published by the Bolton Committee in its first research study. True, most small *concerns are opposed to* direct assistance and advice from Government agencies, but this is because the service is not market*able as far as small businesses* are concerned; those offering the advice rarely appear to have any idea of the problems facing small businesses.

To say that the small businessman views consultants with suspicion is again true, but the consultant *has only himself* to blame here. So insistent is the demand for advisory services from smaller businesses that *this Association is at present in* the process of setting up an independent advisory service, or consultancy, to deal specifically *with small business problems.*

I can find no exception with the last paragraph of your report. I can only hope that more and more people will come to understand the essential role smaller business plays in the economy.

R. L. Attwell,
Chairman,
Smaller Businesses' Association,
6, Holborn Viaduct, E.C.1.

Pensions anomaly

Sir,—I think it is iniquitous that under the National Insurance Acts 1963 and 1964 any increase in the rate of retirement pension is not payable to pensioners living abroad. This anomaly penalises old age pensioners who are resident outside Great Britain, notwithstanding the fact that the great majority of their contributions may have been paid while resident in the United Kingdom.

*I would like to know why per*sons who, immediately before May 27, 1963, were entitled to a retirement pension should be disqualified from receiving any subsequent increases if they are resident overseas.

The existing regulations should be amended by Parliament when the 1971 Pensions Increase Bill is debated. One pensioner I know is still receiving only £2.87½ per week against the £5 paid in Great Britain.

D. A. Adkins.

E5, Pine Court,
Old Peak Road,
Hong Kong.

London fare increase

Sir,—Mr. L. W. Parker (August 3) asks why it should now cost 20 per cent. more to travel on a one-man bus than *on one manned* by two men. The short answer is that it does not.

In the first place the fare changes which Mr. Parker has in mind apply only to London Transport's "split entrance" one-man buses; these represent 41 per cent. of our present fleet of one-man buses. In the second place, with only one exception, these changes all involve reductions of the existing fares containing a ½p. The sole exception is the 2½p fare which is going up to 3p. Other fares on these buses *already in whole new pence* remain the same.

The changes are being introduced for one reason only, *namely, that the virtual dis*appearance of the sixpence has so greatly reduced the use which passengers can make of the auto*matic machines on these buses* that nearly everyone is having to pay the driver, resulting in considerable delays at stops. We have therefore been forced, through no desire of our own, to eliminate the ½p from the fare scale on this small group of buses.

It was no purpose of this change to increase London Transport revenue. But the economics of the situation, which Mr. Parker invokes, made it unacceptable to round down all the *fares containing the ½p.* We therefore tried to maintain a balance by putting one up and all the rest down. I really do not think that this was an unfair compromise.

F. E. Wilkins,

Chief Public Relations Officer,
London Transport,
55, Broadway, S.W.1.

Residential mortgages

Sir,—A letter in your columns to-day from Mr. P. D. Fells is very interesting. I have been trying, as a Life Assurance Consultant, to make this point to my clients but the authoritative sounding information put out by Insurance Companies and Estate Agents is often accepted because *in many ways* it is simpler to understand than the concepts of discounted cash flow.

There are, however, three other points against Endowment Mortgages which also bear consideration:

1—They normally impose on the younger borrower a higher net outgoing than a repayment mortgage in the initial year when his income is probably under pressure in any event.

2—Because under a repayment mortgage the major part of the capital is not in fact repaid until the last 10 years, most of the benefits of an Endowment contract over a 25 year period can be obtained by using the first 15 years of a 25 year repayment mortgage and then re-mortgaging in conjunction with an Endowment Assurance for the final 10 years.

3—If sufficient income is available for the borrower to accept the higher initial outlay of the Endowment linked mortgage, he will often do better to use the *repayment mortgage and invest* the difference in an Investment Insurance contract not tied to his house purchase. His eventual *return will be much the same* and he will have greater flexibility in the interim period.

R. H. E. Brown.

Fireacres,
Murcott, Islip,
Oxford.

TV/Radio

GEORGE BRETTLE MOVE TO ULSTER

George Brettle and Co., hosiery manufacturers, a Courtaulds subsidiary, proposes to occupy an extension, still to be built, of the Courtaulds' processing division factory in Newtonabbey, Co. Antrim, it announced yesterday.

The unit will begin production *in an existing factory* in the same area immediately, moving to the ne wunit at Easter, 1972. Production will give employment at peak to about 250 people.

* Indicates programme in black and white.

BBC 1

11.25 a.m. Cricket: Second Test Match: *England v India.* 1.30 p.m. Watch with Mother. 1.45 News. 1.53 'Steddfod 71: National Eisteddfod report. 2.23 Second *Test Match: England v India.* 4.20 Play School. *4.40 Jackanory. 4.55 Score With The Scaffold. *5.25 Boss Cat.
5.50 News.
6.00 London This Week.
6.20 Apollo 15.
6.45 We Want To Sing.
7.15 The Virginian.
8.30 A. P. Herbert's "Misleading Cases."
9.00 Nine O'clock News.
9.20 It's a Knock-out!
10.35 24 Hours.
11.05 Movie-Makers: James Mason at the NFT talking about his 35 years as a screen actor.

All Regions as BBC 1 except at the following times:

Wales—*11.25 a.m.-1.30 p.m. Cricket: Glamorgan v Nottinghamshire and England v India (shared period). *1.30-1.45 Ar Lin Mam. *2.23-2.55 Cricket: Glamorgan v Nottinghamshire. *2.55-3.45 Eisteddfod Genedlaethol Frenhinol Cymru Bangor: National Eisteddfod Exiles Day. *3.45-4.20 Cricket: as at 11.25 a.m. (shared period). *6.00-6.20 Wales To-day. *6.45-6.55 *Newyddion.* 6.55-7.20 Here's Lucy. 7.20-8.00 Harry Secombe's Cinema. 8.00-8.30 The Spinners. *9.20-10.05 'Steddfod 71. 10.05-10.35 Monty Python. *11.05-11.40 Wynebu Ffeithiau: religious discussion.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.57 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. *11.57 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North *(from Leeds, Manchester, Newcastle)*; Midlands To-day (from Birmingham): Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). *11.57 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
4.30 p.m. Cricket: Test Match—England v India.
7.30 News.
8.00 A View of the Islands: film trilogy about the Channel Islands.
8.30 Summer Review.
9.20 Get the Drift.
9.50 The Spoils of Poynton, part 4.
10.35 *News on 2.*
10.40 Late Night Line-Up.

LONDON

11.25 a.m. Windward Home—Ho return of Chay Blyth. 11.45 Interlude. 12.20 p.m. Windward Home—Official reception. 2.20 Racing from Redcar. 2.45 Zingalong. 4.00 Yoga for Health. 4.25 Skippy. 4.55 Secret Squirrel. 5.20 Follyfoot.
5.50 News from ITN.
6.00 Riptide.
*7.00 On The Buses.
7.30 The Sky's The Limit.
8.00 The FBI.
9.00 Kate.
10.00 News at Ten.
10.30 Police 5.
10.40 Friday's Horror Film "Dr. Blood's Coffin," starring Kieron Moore, Hazel Court and Ian Hunter.
*12.20 a.m. A Likely Story.

All ITV Regions as London except at the following times:

ANGLIA

*4.00 p.m. Anglia Newsroom. 4.03 Yoga for Health. 4.30 The Romper Room. 4.50 Voyage to the Bottom of the Sea. 6.00 About Anglia. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Glamour '71. 8.00 Hawaii Five-O. 10.30 The Name of the Game. 12.00 Reflection.

ATV MIDLANDS

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Peyton Place. 4.40 Zingalong. 4.55 Thunderbirds. 6.00 ATV To-day including Sports Report. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 The Trouble With You, Lilian. 8.00 Hawaii Five-O. *10.30 Late Movie: "The System" starring Oliver Reed, Barbara Ferris and Julia Foster.

BORDER

4.26 p.m. Border News Headlines. 4.28 Houseparty. 4.40 Zingalong. 4.55 Cowboy in Africa. 6.00 Border News and Lookaround. 6.25 Border Sports Review. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 The Trouble With You, Lilian. 8.00 Hawaii Five-O. 8.50 Cartoon. 10.30 Late Night Thriller: "Murder Incorporated," starring Stuart Whitman. 12.20 a.m. Border News Summary.

CHANNEL

4.00 p.m. Zingalong. 4.10 Puffin's Birthday Greetings. 4.20 Gilligan's Island. 4.55 Land of the Giants. 6.00 Channel News. 6.10 Gourmet. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 The Trouble with you, Lilian. 8.00 Department "S." 10.32 Feature Film: "Look Back in Anger." 12.15 a.m. News and Weather in French.

GRAMPIAN

4.21 p.m. Grampian News Headlines. 4.25 Moment of Truth. 4.50 The New Adventures of Huckleberry Finn. 6.00 Grampian News. 6.05 The Smith Family. [illegible] File. 6.25 The Trouble With You, Lilian. 6.55 The Saint. 7.55 The Odd Couple. *8.20 Scales of Justice. 10.30 Open Night.* 11.10 "Paths of Glory," starring Kirk Douglas.

GRANADA

[illegible]

HTV

4.09 p.m. To-morrow's Horoscope. *4.15 Moment of Truth. 4.40 Women Only. 5.06 Zingalong. *5.19 Robin Hood. 6.01 Report West. 6.18 Report Wales. 6.35 Crossroads. 7.00 The Sky's The Limit. 7.30 Friday Film: "Green Grass of Wyoming," starring Peggy Cummins and Charles Coburn. 10.30 Paper Round. 11.00 Man in a Suitcase.

SCOTTISH

4.15 p.m. The Magic Elephant. 4.30 Crossroads. 4.55 Holiday Cavalcade. 5.20 Skippy. 6.00 Scottish News. 6.10 Bonanza. 7.00 The Sky's The Limit. 7.30 The Saint. 8.25 The Trouble With You, Lilian. 10.30 In Camera. 11.00 Talking Heads. 11.30 Late Call. *11.35 Late Night Movie: "A Woman of Mystery," starring Dermot Walsh and Hazel Court.

SOUTHERN

3.10 p.m. Yoga For Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. 4.23 Hiawatha. 4.30 Crossroads. 4.55 Charlie Brown. 6.00 Day *by Day (Channels 6, 11 and 27).* 6.30 The Trouble With You, Lilian. 7.00 The Sky's The Limit. *7.30 Friday Film: "Assignment Redhead," starring Richard Denning and Carole Mathews. 10.30 Windward Home. 10.55 The Name of the Game. 12.20 a.m. Southern News Extra.

TYNE TEES

4.10 p.m. North East Newsroom. 4.15 The Flintstones. 4.40 Zingalong. 4.55 The Land of the Giants. 6.00 To-day at Six. 6.30 On the Buses. 7.00 The Sky's The Limit. 7.30 The Comedians. 8.00 Hawaii Five-O. *10.30 The Late, Late Movie: "The Criminal," starring Stanley Baker and Sam Wanamaker. 12.20 a.m. Late News Extra including Christian Comment.

ULSTER

*4.30 p.m. Romper Room. *4.50 Ulster News Headlines. 4.55 Land of the Giants. *6.00 UTV News. *6.10 Viewfinder. 6.35 Crossroads. 7.00 The Sky's The Limit. 7.30 Laredo. 8.30 The Trouble With You, Lilian. *10.30 Friday Film: "High Wall," *starring Robert Taylor and Audrey Totter.*

WESTWARD

3.58 p.m. Westward News Headlines. 4.00 Zingalong. 4.10 The Gus Honeybun Show. 4.28 Gilligan's Island. 4.55 Land of the Giants. *6.00 Westward Diary. *6.25 Sports Desk. 6.35 Crossroads. 7.00 The Sky's The Limit. *7.30 The Trouble With You, Lilian. 8.00 Department S. 10.28 Westward Late News. *10.32 Feature Film: "Look Back in Anger," starring Richard Burton and Claire Bloom. 12.15 a.m. Faith for Life.

YORKSHIRE

*4.10 p.m. Calendar News. *4.15 Matinee.* 4.40 Zingalong. 4.55 The Land of the Giants. 6.00 Calendar News. 6.05 The Odd Couple. 6.30 McQueen. 7.00 The Sky's the Limit. 7.30 The Comedians. 8.00 The FBI. 10.30 "Robbery Under Arms," starring Peter Finch, Donald Lewis and Maureen Swanson.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries [illegible]

RADIO 2 1,500m; VHF

News summaries [illegible]

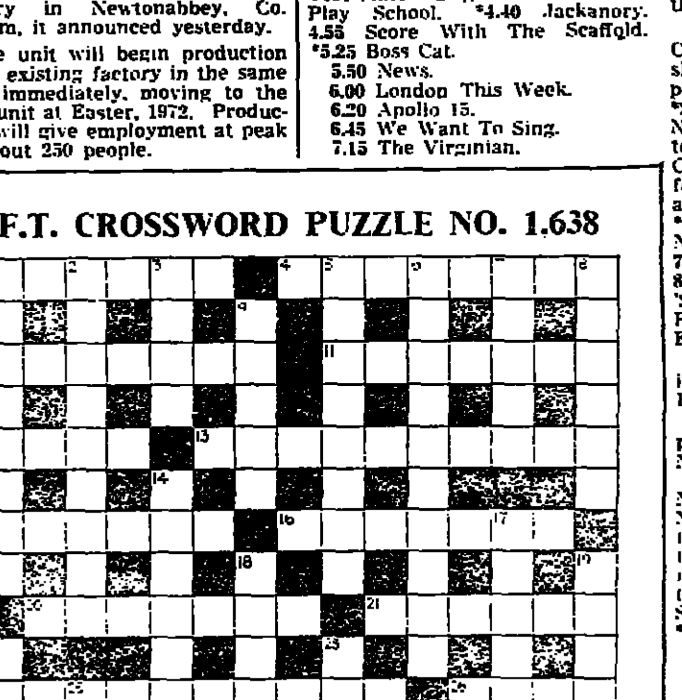
RADIO 3 194m, 464m; VHF

[illegible]

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. 6.45 Prayer for the day. 6.50 Regional news weather and preview. 7.00 Today magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Regional news, weather and preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. 9.05 The Entertainers: Gracie Fields. 9.50 A Pair of Brothers: talk. *10.15 Daily Service.* 10.30 All Kinds of Music. 11.30 From Us to You. 12.00 Announcements. 12.10 You and Yours. [illegible]

F.T. CROSSWORD PUZZLE NO. 1,638



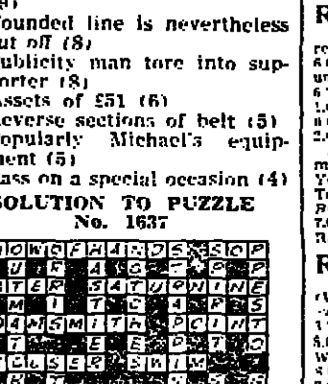
ACROSS

1 To wrap the babe for sleep with the family (6)
4 Weighty, leisurely mode of proceeding is chancy (8)
10 Room for the brainless? (7)
11 Coat for footballer touring a vessel (7)
12 Many take cereal round the castle (4)
13 Staff time intended without a board (10)
15 Hearer of a still small voice (6)
16 Aimed like a good little Communist (7)
20 Con ruler in the roadway (7)
21 Tree in bed was battered (6)
24 Extravagant claim to be reasonable (10)
26 Return York vestment. (4)
28 "In states unborn, and accents yet——" (J. Caesar) (7)
29 Lady acquires right diamonds in desire for wealth (7)
30 How the devil's he in disorder? (8)
31 Stop clear of Herts town (6)

DOWN

1 "Or nurse —— on the lap of June" (Hood) (8)
2 Forwards getting on with wrapping it up? (9)
3 Court taverns (4)
5 Value a gentle commendation (8)
6 Al's bar-line appears odd to the dancers (10)
7 Dispute with the children (5)
8 Heroes Classical and Modern (6)
9 Boy comes up below railway water (5)
14 Flying friend goes back and forth just the same (10)
17 "Can the —— change his skin, or the leopard his spots?" (9)
18 Founded line is nevertheless cut off (8)
19 Publicity man tore into supporter (8)
22 Assets of £51 (6)
23 Reverse sections of belt (5)
25 Popularly Michael's equipment (5)
27 Lass on a special occasion (4)

SOLUTION TO PUZZLE No. 1637



Racing

Moan at Newmarket

by DARE WIGAN

AN interesting runner in the *Beacon Maiden Plate (2.00)* at Newmarket this afternoon is *One Pint,* a chesnut filly by *Major Portion,* out of *St. Pauli Girl, who finished second in the 1,000* Guineas and the Oaks of 1967. *One Pint* belongs to Mr. Stanhope Joel and goes instead of this *owner's Redundant, who would* almost certainly have been favourite.

Since Piggott has accepted the ride on *One Pint,* the chances are that she has shown promise at home. However, on this occasion it may be safer to rely on *Ludicrous,* a runner-up to the smart *Martinmas* at Lingfield last month.

Great Wall, who finished fourth behind *Nijinsky* in last year's Derby, and who subsequently won the King Edward VII Stakes at Royal Ascot, reappears for the first time since then, when he carries top weight of 9st. 7lb. in the Lavenham Handicap (3.30), run over six furlongs of the Banbury Court.

The distance will surely be too short for *Great Wall,* and the winner is likely to be either *Festino,* who had some useful animals behind him when runner-up to *Grotto* over seven furlongs here last month, or *Snow Girl,* who was third to *Court Card* and *Plaintive Melody* at Yarmouth last month. *Snow Girl* is the selection.

Failing Light, a grey filly by *Ballymoss,* had no chance against *The Bugler* at Salisbury the other day, but *The Bugler* is a good stayer, as he demonstrated last week when finishing third to *Potent Councillor* and *Weatherbird* at Goodwood.

Failing Light looks a reasonable bet in the Running Gap Maiden Stakes (4.00); and, in the absence of *Pilamenon, Moan* ought to win the Bunbury Stakes (4.30).

A colt whom I thought was certain to win races this season is *Centaur,* and I fear he has been a sorry disappointment to his owner, Colonel Dick Poole, who has entered him for the Side Hill Selling Handicap (2.30), an event that may be within his compass.

The best bet at Lingfield today is probably *Lochwinnoch* in the Saxonbury Stakes (4.45). This colt, by *Above Suspicion,* made short work of *Nantar* on his first appearance on a racecourse at Sandown last month and is likely to be too good for *Irish Word.*

Earlier in the afternoon, *Shadowfax* would only have to run as well as he did when finishing a close second to the gambled-on *Grey Mantle* at the last Salisbury meeting in order to have a clear chance in the *Mountfield Plate (2.45).*

Wise Old Owl, who showed that he is not inconvenienced by soft ground, when scoring easily at Ayr *a fortnight ago, can take the* Wadhurst Plate (3.45). *Mr. Moreso* looks best of a poor collection in the Hamsell Handicap (4.15).

So easily did *Scotia's Girl* dispose of Wednesday's Pontefract winner, *Medicinal Compound,* and other useful horses in the Harry Peacock Challenge Cup at Newcastle last week, that it is *impossible to oppose him for the* Cleveland Handicap (4.30) at Redcar, particularly as in his previous race he had finished a good third to *Prominent* and *Calpurnius* at York.

Other likely winners at Redcar this afternoon are *Lady From Aske* in the South Durham Plate (3.0), and the Berkshire-trained *Lunar Hornpipe,* who is not only a topical tip, but judged on her second to Casual Lass at Kempton in June, has good prospects in the Middleton Stakes (4.0).

NEWMARKET

2.00—Ludicrous
2.30—Centaur
3.00—Tilario
3.30—Snow Girl
4.00—Failing Light
4.30—Moan*

LINGFIELD

2.45—Shadowfax
3.45—Wise Old Owl
4.15—Mr. Moreso
4.45—Lochwinnoch***

REDCAR

3.00—Lady from Aske
4.00—Lunar Hornpipe
4.30—Scotia's Girl**

MAPLE'S FIRST SCOTTISH STORE

Maple and Co., furnishers, announces the opening of its new branch at Kirkcaldy—the first Maple's stores in Scotland. The Kirkcaldy store is the third branch *to be opened by Maple's this year.* A further two are scheduled.

Events

To-day

COMPANY MEETINGS—
CHAMBERLAIN PHIPPS, Higham Ferrers, 2.30. (Chairman, Mr. T. G. Boardman.)
CONSOLIDATED TEA AND LANDS, Glasgow, 2.30. (Chairman, Sir John Muir.)
FIRTH CLEVELAND, Stornoway House, S.W., 12.30. (Chairman, Mr. C. W. Hayward.)
GRIFFITHS (BERTRAM), Cardiff, 12. (Chairman, Mr. B. L. Griffiths.)
JEVONS COOPER, Walsall, 11. (Chairman, Mr. C. C. Cooper.)
KEIZER VENESTAR, Bootle, 12. (Chairman, Mr. B. W. Saunders.)
MAY AND HASSELL, Bristol, 12. (Chairman, Mr. J. H. B. Atley.)
NEW LONDON PROPERTIES, Grosvenor House, W., 12.15. (Chairman, Mr. E. F. J. Plumridge.)
OIL AND ASSOCIATED INVESTMENT TRUST, Winchester House, E.C., 12. (Chairman, Mr. A. S. W. Joseph.)
PAULS AND WHITES, Ipswich, 12. (Chairman, Mr. J. W. Causton.)
PERKINS (DOROTHY), Bracknell, 12. (Chairman, Mr. I. L. Farmer.)
ST. KITTS (BASSE TERRE) SUGAR FACTORY, 53, Cannon St., E.C., 11. (Chairman, Mr. W. A. Du Buisson.)
ST. KITTS (LONDON) SUGAR FACTORY, 53, Cannon Street, E.C., 11.15. [illegible]
WALKER (C. and W.), [illegible] (Chairman, Mr. E. C. Woodall.)

Haymarket

A Voyage Round My Father

by B. A. YOUNG

The cast and the *mise en scène* are new since I saw this play of John Mortimer's at Greenwich, but the play remains the same. Ronald Eyre's production is neither better nor worse than the Greenwich one; that was excellent and this is excellent, and there is no more point (though no less) in comparing them than in comparing Château Lafite with Château Latour. As for the play, it's undoubtedly the best thing John Mortimer has written for the stage—funny on various levels from wit to knockabout, warm, human, sympathetic, original.

Alec Guinness now has the part of the Father who, suddenly blinded by knocking his head against the branch of an apple-tree, steadfastly refuses to take any notice of his handicap. He continues his work at the Bar, a successful practitioner in the divorce court in spite of his reluctance to be polite to solicitors or considerate to brother counsel. He continues to tend his garden, with special attention to the slaughter of earwigs, which for some reason he prefers to drown rather than to squash. "Paint me the picture," he says as he sets out for a walk; and when he comes back he will say, "We saw a lot." Sir Alec's performance is so complete in its grasp of how such a man would move, look, speak and behave to his companions that for me it is beyond praise.

The Father's progress is the line on which are hung the parts of his family and associates. Chief among them is the Son, whom we meet first on the point of leaving for his private school (though the chauffeur, an ex-jockey, is convinced he is to be apprenticed as a stable-lad. Misunderstandings of this kind proliferate around this family).

We see him at school—and how truthfully Mr. Mortimer displays the petty vanities both of boys and of schoolmasters. There is a short, hilarious scene in a war-time film studio; then Son follows Father into the law, whose curiosities Mr. Mortimer has long been expert at demonstrating.

To cope with this life-span, the Son is presented in duplicate: Jason Kemp plays him as a boy, later becoming his own son, while Jeremy Brett remains on hand both to represent the Son at a later stage and to provide a commentary to the events on the stage. He is a little less adept at retreating into youth than Sir Alec is at advancing into age; but from the beginning of maturity on, it is a nice performance.

Leueen MacGrath as the Mother has little to do but grow old gracefully, and this she does with charm. Nicola Pagett introduces a touch of acidity with her playing of Elizabeth, the girl whom the Son marries, and who is the only one who refuses to play the game of pretending not to notice the Father's blindness. Two dozen more parts are shared among half a score of players; they're not only all done well, they are done fully and with imagination, for Mr. Mortimer cannot write a character without some interesting quality.

No attempt is made to represent the house and garden where most of the story is set. There is a great ornamental trellis rising from the centre upstage into the flies in an arching curve; plain tables and chairs are brought on as needed. Nothing else. The true pictures are in our minds, as they should be.

Zoe Dominic

Ian McKellen in "Hamlet" which opened last night at the Cambridge Theatre

Gardner Arts Centre, Brighton

Mirandolina

by GARRY O'CONNOR

Carlo Goldoni, a Venetian who lived nearly ninety years, set to work to reform Italian comedy in the eighteenth century with prodigious force, writing nearly three hundred plays. He strove against the conventional Commedia dell'Arte of his day, as well as broadening the comic stream he inherited from Molière. He pointed out, for instance, the tendency of French comedy to concentrate only on a single character, which is true of nearly all Molière's plays.

Mirandolina, or *La Locandiera* (The landlady) is a favourite Goldoni. At one time there existed no less than seven English versions. Its main quality is a rich and cunning plot, allowing the characters therein to operate with the maximum of warmth and comic foible. Goldoni improves on his master Molière; he holds up a character such as the Knight of Ripafratta to ridicule, but where in Molière such exposure often becomes cruel, Goldoni exercises a humanistic restraint. He is gentler, more forgiving.

The action takes place in Florence, at Mirandolina's inn. A decaying impoverished Marquis, an empty-headed wealthy count, are besieging the many sided Mirandolina with their attentions. But she is drawn to a sour misogynist knight. So virulent a woman-hater is he, that she feels he might be a match for her guile. Gradually she ensnares her sturdy prey who begins to see that women, or rather Mirandolina (he never finally abandons his scorn for the sex), has some advantages over a good gun-dog.

To embroider and diversify the social comedy, Goldoni also slips in a pair of actresses for good measure. This giggling duo play at being aristocratic ladies, encouraged by Mirandolina herself, who spots their deception, but whose enjoyment of a joke at the expense of her admirers knows no limits. Mirandolina succeeds in her exercise of reducing the knight to the level of her other lovers. He becomes quite enraged with passion, fights a duel, and flees the scene charged with even greater anti-feminist fury than before. Mirandolina then turns to the primrose path of wedlock, pledging herself to her servant Fabrizio, who, during an uproarious third act, has been zealously priming red-hot irons for her. Good-humoured complications are without end.

Walter Eysselinck's company set a cracking pace with the preliminary banter of money and love, and even the slow and grim audience of Wednesday night had thawed out by the second of the three acts, and were roaring with approval in the third.

Ann Morrish makes an ideal Mirandolina, mature enough for her experience to carry conviction, young and attractive enough to enchant. She strikes her blows for the feminine sex without vindictiveness, demonstrating the superior and very different form that female domination takes. Mirandolina makes a telling comparison with Women's Lib advocates, some, at least, of whose hysteria comes from a desire to dominate men in a specifically male manner.

Brian Cox as the knight embellishes his plodding exact scrutiny of the fair sex with Scottish circumspection; altogether a masterly comic mould, free from the stylist mannerisms that must be tempting in such a role. The chief merit of Walter Eysselinck's excellent production is its conviction. Comic credibility needs a careful painstaking approach, yet detail must never outweigh the demands of a plot which has almost as great a finesse, at times, as the Vivaldi used for incidental music.

Professor Daiches' translation is lively and fluent. I found only one or two points at which it jarred. "Woman-thrope" seemed a bit awkward for describing the knight, though underlining the resemblance to Molière's *Misanthrope*, in spite of the deliberately "clever" manner in which Robert Hardy delivered it. The term "knight" itself sounds Chaucerian, or Quixotic, out of keeping with the unmistakable 18th-century hierarchy. The occasional Yiddisher slang ("bewitched beschnitzed") is unnecessary.

These, however, are very minor objections. The spirit of the piece vibrated in the colours of John Halle's Italianate set, and Janet Burroway's richly brocaded costumes. The vanguard of several *Mirandolinas* promised in the future, this production will be hard to improve upon.

Cinema

Toytown fantasy

by DAVID ROBINSON

Bombay Talkie (A) (Paris-Pullman)
Vanishing Point (AA) (Odeon, Leicester Square)
Puppet on a Chain (AA) (London Pavilion)
Making It (X) (Odeon, Haymarket)

The American director James Ivory has not so far entirely succeeded in recapturing the form of his first two films, *The Householder* and *Shakespeare Wallah*, which represented a highly responsive and sensitive outsider's impressions of contemporary and changing India. *The Guru*, which followed them, was only too clearly beset by its Western stars and Western money. *Bombay Talkie* returns a little nearer in theme and feeling to *Shakespeare Wallah*. Again it is an encounter between a passionate English girl and a less emotionally committed Indian boy, both of them involved in fantasy worlds—she is a successful and smartly sensational novelist; he is a movie star.

Again the film is at its best when it is lightest and least involved, an amused bystander's observation of India's toytown Hollywood—dedicated, as it has been for more than half a century, to the mass production of interminable spectacles of song, dance, passion and violence, and peopled by eccentrics like the nymphomaniac ageing star who has clearly created herself after the screen image of Mae West ("Close up your buttons," she tells a bare-breasted youth, with demure Indian lust, "before I go quite mad.")

Ivory has a gentle and engaging sense of comedy which can erupt even in the most serious moments—the asburd ceremonial of the ashram to which the desperate heroine retreats, and the female-fed vanity of its Guru for instance.

But the story is pushed to a pitch of emotional intensity; and here—though the over-heated affair of the two people seems to spring fairly naturally from the artificial circumstances of their respective lives—he is less sure of himself. Attractive as Jennifer Kendal is as an actress, the heroine, Lucia, eventually comes out as a rather irritating and demanding middle-aged lady tourist; and the hero's cavalier treatment of her is rather arbitrarily written in so as not to impair the charm with which Shashi Kapoor endows him. Subsidiary characters—the hero's barren and neglected wife; Lucia's screenwriter admirer who provides the catalyst and the *deus-ex-machina* of the drama—are fairly casually shaped to the momentary needs of the story.

It all seems most out of its depth in the lengthy final sequence, a tipsy birthday celebration in which the principals roam the streets of Bombay, their emotional troubles protruding out of their party gaiety like the bones of a starved bullock. It aims to be a Felliniesque *tour-de-force*; but there is just not skill or spirit enough to sustain it. All of which is not to say that *Bombay Talkie*, with its humour, its sensitive use of the Indian urban scene and its very attractive players, is not a good deal more rewarding than most of what you can find on the current London screens.

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Vanishing Point is possibly unique, at least in recent years, as a "runaway" production in reverse: for once a British film has been shot in America in contradiction of the usual practice of shooting Hollywood films in Europe. It was made for Twentieth Century-Fox release by Cupid Productions, a company formed by Michael Pearson, and whose first film was Jean-Luc Godard's British feature, *One Plus One (Sympathy for the Devil)*. A second production of the company, *The Last of the Long Haired Boys* has yet to be seen.

The idea of *Vanishing Point* is simple. A long-distance car delivery driver accepts a bet to drive from Denver to San Francisco in record time. The single-mindedness with which he pursues the feat suggests obsessions quite outside the wager. *En route* his past history is hinted by brief flashbacks: he seems to have been an unsuccessful racing driver; then a policeman, busted for rebelling against the accepted norms of corruption. As he passes from one State to another, the efforts of the traffic police to bring him to book become more desperate and violent, until his drive ends in a fatal crash.

So long as it stays strictly on this track the film is quite good: Barry Newman is a contained sort of actor, able to convey the solemn method of the truly deranged; and the scenery is well used—the bleak clapboard townships of colorado, windswept and sun-stripped; the car's lone tracks traced vividly in the desert dust.

But the director, Richard Sarafian (whose previous films have been, unpromisingly, *Andy*, *Run Wild, Run Free* and *Fragment of Fear*) does nothing to minimise the pretensions of Guillermo Cain's script in its striving after the picturesque and mystical: an enigmatic (and probably rather cut) encounter with a snake-cult group, and an E.S.P. relationship with a blind negro radio commentator called, significantly, "Super Soul."

The film also has a certain ethical problem in making sympathetic a hero whose whole *raison d'etre* in the film is antisocial, his lethally dangerous driving. This leads to some unhappy shuffling: he sends two police motor-cyclists flying down roadside canyons, overturns another police car and completely wrecks a Jaguar when he forces it into a lake: yet no one (as the hero solicitously ascertains each time before driving on) is ever hurt. The clear untruth here reduces belief and sympathy for the rest of the film.

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The driving in *Vanishing Point* is spectacular and exciting; and was apparently the work of the same (uncredited) stunt driver as in *Bullitt*. The *Bullitt* influence is discernible also in *Puppet on a Chain*, an Alastair Maclean thriller whose climax is a boat chase through Amsterdam. The chase is directed, rather capably, by Don Sharp, who is also credited with additional sequence directing and additional screenplay material. It is only possible to guess, judging from internal evidence, which other sequences—perhaps an ingenious scene in which the hero kills a a night intruder in his hotel room—are by a different hand from the credited director of the rest, Geoffrey Reeve. Outside these individual sequences the film is a flat, flaccid and improbable melodrama about drug smuggling.

*

Making It is a fairly frank exploitation of the youth film market, making the most, within the safety limits of commercial Hollywood practice, of the approved outspokenness of the screen; pretending to destroy old romantic myths about teenage (a lot of references to *Catcher in the Rye* are bandied meaninglessly around) and in their place setting up much less convincingly myths of its own.

Its single saving grace is a funny and attractive performance by Kristoffer Tabori as the seventeen-year-old hero whose ambitions as the High School Casanova suffer some rather severe setbacks. Otherwise the film rambles blindly from one bit of tastelessness to the next, and ends up with the boy sitting in on his own mother's abortion, having accommodatingly arranged for her to take the appointment which his girlfriend did not after all require. Directed by John Erman and written by Peter Bart, it is adapted from a novel, "What Can You Do?" by James Leigh.

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Among innumerable independent cinema magazines the most attractive by a long way is *Afterimage*, which comes out periodically in a paper-back format, and makes imaginative design use of cheap production methods. The magazine publishes a high proportion of translated material from foreign sources; and the issue that has just come out (30p from Afterimage Publications, 12-13, Great Newport Street, WC2H 7JJ) is devoted to "Third World Cinema." The great merit of *Afterimage* is to concern itself with the neglected rather than the purely fashionable; and this issue is notable for an interview with Jorge Sanjines, the Bolivian director of one of the best and the least known Latin American films, *Yawar Mallku*, which has yet to be shown in this country.

Jennifer Kendal and Shashi Kapoor in "Bombay Talkie"

Covent Garden

Field Figures

by CLEMENT CRISP

The Royal Ballet was showing its paces in grand and varied form on Wednesday; a triple bill of *Danses Concertantes*, *Field Figures* and the third act of *Raymonda* suggests that the company can encompass an extraordinarily wide range of styles, and in the event, do honour to them all.

The key to the evening was the first Opera House performance of Glen Tetley's *Field Figures*. It is a work on which both Andrew Porter and I have commented enthusiastically this year, and now, on the larger spaces of the Opera House stage, and with the work—so to speak—already embedded in our consciousness, it looks even better than formerly. It is not an "easy" piece; Tetley has created ballets more outgiving in theme, but rarely one more rewarding to the eye. The surface of the work is a sequence of beautiful dances that explore the no less beautiful bodies of his cast—and in his exploration Tetley has been inspired by the classicism of his interpreters.

On a second level we are presented with relationships, encounters, rivalries, passions that have been translated into vivid dance imagery: there are recurrent thematic shapes that grip the imagination—a duet between Deanne Bergsma and Desmond Kelly is echoed by Kelly with Nicholas Johnson; a pose for Vergie Derman features throughout the work—and these hints are sufficient to provide a purpose and a direction for our appreciation. But fundamentally, we must concern ourselves with the richness of the dances, with the drive and momentum of the movement, and with the excellence of the interpretations.

The septet of dancers are very fine indeed: Tetley's use of line, his ability to make his dynamic points with fascinating contrasts between slow, deliberate activity and suddent bursts of speed and what seems almost anguished contortions, are superbly realised by the whole cast—the original interpreters with the exception of Wayne Eagling, who is an excellent acquisition.

The opening *Danses Concertantes* also looked pleasing; bright in outline, sharp in pulse, and done with a neat feeling for the exuberant, bubbling inventions of this early and still fascinating example of MacMillan's great talent.

And it is impossible for me to resist *Raymonda*. Glazunov's opulent music, Hungarians in whirling formations, a shower of variations—with Leslie Collier glittering like a diamond of the finest water in her solo—Lynn Seymour *en beauté* in a galaxy of jewels as the heroine, partnered by Rudolf Nureyev: this is authentic Opera House fare. Miss Seymour played the whole thing with a positively aristocratic disdain and phrased her two solos with marvellous subtlety; Mr. Nureyev's first variation looked slightly improvisatory, but he compensated by leading the final gallop with a dashing, dare-devil panache that was tremendously exhilarating.

Empire Pool, Wembley

Moscow State Circus

by ANTONY THORNCROFT

Anyone visiting the Moscow State Circus expecting to see lions tamed, clowns soaked in whitewash, and cowboys exterminating indians is in for a shock. For in the USSR the circus is a serious business, and instead of the cheap laughs and the tinsel thin thrills we are used to in the U.K. there is a succession of acts featuring real men and earnest women.

The Circus, now at Wembley, exhibits minds in control of bodies. Each act is exceptional in the amount of training and skill required. Girls hang from their colleagues hands and whirl round many feet above the ground; trapeze artists throw themselves past each other in mid air; tightrope artists edge their way blindfold across the high wire. For the audience it is not much fun; indeed sometimes it is frighteningly tense. And inevitably rather numbing. The performers are so fit and confident that you take their eventual success as certain.

The most endearing acts featured artists that proved themselves human. A troupe of Mongolian jugglers got into a terrible mess at the beginning of their show and the finale, when the leader catches dozens of plates thrown at him in rapid succession, took three times. This earned an ovation. The only man in the world able to balance on five moving cylinders (a rather wasteful expertise) was not satisfied with his first effort. He was also well received.

But eventually, after all this human artistry, it was a relief to see some animal skills, and the final act, the Cossack riders, stirred the blood the most as they clambered all over their horses without losing a toe hold.

The clowns were frankly a disappointment, even the celebrated Popov, and using them as fill-ins between acts severely restricted their initiative.

There was also a sad lack of animals. Some bears started the show but there was no trace of the billed parrots or camels. Were they suffering from first night nerves? And while I am quibbling why was the first act so long, taxing the patience of the many children in the audience? Why was the programme so incomprehensible? And why did the large orchestra get itself so frequently into tangles? Once it was playing soothing organ music while a man risked his neck on the high wire. Nevertheless if you like circuses, or admire human bodies at the peak of fitnes, you cannot afford to miss the Moscow State.

Albert Hall

Così fan tutte

by GILLIAN WIDDICOMBE

Glyndebourne always goes down as greedily as an opera house on fire when it comes to the Proms. The audience laps up the potted version of the stage production (no costumes but all the movement acted out on a rostrum with relevant props). They actually enjoy the recitative because it is fully acted out, and guffaw heartily at delightful moments like Guglielmo's shrug as he pockets Ferrando's portrait from dreamy Dorabella in "Un cor vi dono." There is, of course, a temptation that is not always resisted: to overplay the buffoonery to this most responsive audience. (I remember Leporello hogging Giovanni's "Finch'han del vino" two years ago.) But apart from some irrelevant fidgeting at the beginning of "Come scoglio"—surely Fiordiligi's severity cannot be sent up here by other members of the cast!—Wednesday's *Così fan tutte* was freely, warmly and unfussily played.

Glyndebourne's casts also seem to enjoy the occasion. After some 18 performances, they have usually settled down so that the Glyndebourne reputation for integrated ensemble can be heard at best. This was certainly so on Wednesday, and though the performance was still dominated by Margaret Price's magnificent Fiordiligi, the other characters were more relaxed and in better voice than when I heard them during the season.

I must repeat it: Miss Price's Fiordiligi is simply stunning. The vocal control is clean as an oboe to the last significant semiquaver; the wide leaps, placed true, coloured and phrased instead of just leapt; the long lines, rounded, keen. It was interesting to see her characterisation of the role without the full background of the lighthearted Luzzati/Enriquez production Her Fiordiligi is serious and dignified, and also disdainful—which is a difficult characterisation to bring off. Miss Price succeeds because her singing can stand it; indeed the purity and crispness which is her vocal style seems positively to demand it.

By comparison, Edith Thallaug's Dorabella suggested a step-mother had been omitted from the story. She was all simpers and elbows akimbo, and her singing still had the lazy vibrato that seemed an excessive contrast to Miss Price; but her voice revealed much better quality than at the first performance. Sad that the same could not be said for Jerry Jennings as Ferrando. Again he seemed to tire after a fair "Un aura amorosa," and then was vocally disqualified by Miss Price when supposedly winning her in "Fra gli amplessi"; this time his cavatina "Tradito, schernito dal perfido cor" was cut. But Knut Skram's Guglielmo won all hearts this time, particularly with a charming and spontaneous "Donne mie la fate a tanti," lightly and impeccably sung. Jane Berbié and Paolo Montarsolo pranced and smirked as Despina and Don Alfonso, both singing with fewer mannerisms than earlier in the season.

What a perfect opera *Così fan tutte* is for the Proms! Its length is long, but the luxurious array of numbers—which even earnest Mozartians criticize in theatrical terms—spreads out naturally in concert performance. One notices odd details. How very fine the first act finale at that difficult point before Despina arrives as Il Medico. Usually one is too busy watching the fun—or lack of it—on stage to realise how witty, how crafty Mozart is here. These are the points which John Pritchard conducted particularly well; also where the London Philharmonic Orchestra sounded most glad to be out of its pit.

Music Club of London

The Music Club of London's Diary of Events this season includes a lecture by the Early Music Consort's principal singer, James Bowman (*The Art of the Counter Tenor*), on August 18, a visit to Aldeburgh (Monday, August 30) for the English Opera Group's *Noye's Fludde* and a week's visit to the Edinburgh Festival (September 4-12).

Following the trip to Edinburgh will be a further two lectures. The first, on September 9, is a demonstration of Indian classical music by Manesh Chandra (sitar) with Madhukar Kothare (tabla) and Jaya Devi (tamboora). Alan Blyth is the interviewer on September 16 for *An Evening with Yvonne Minton*. The lectures all take place at Holborn Central Library, WC1, and further details of current and forthcoming events can be obtained from the Organising Secretary, Music Club of London, 36 Nottingham Place, London, W1.

Osborne first night

The first night of John Osborne's new play, *West of Suez*, at the Royal Court Theatre, with Ralph Richardson and Jill Bennett is on Tuesday, August 17.

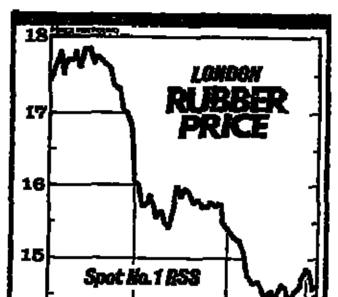
Farming and Raw Materials

Malaysia rubber price at lowest level since 1949

BY JOHN EDWARDS

THE LONDON rubber market yesterday failed to be depressed by the overnight news that the Malaysian prices had fallen to the lowest level since 1949 to a godown price of 91.50 Malayan cents. Indeed the London market spot price for R.S.S. No. 1 grade closed last night at 14.65p a kilo, 0.05p higher on the day.

The belief in London seems to be that prices have "bottomed out" but so far this has not been confirmed by events elsewhere.



Stocks building up

Stocks are still building up in Malaysia, especially as the Malaysian Government is apparently not prepared to start support buying as it has done hitherto. Latest figures of West Malaysian exports show that in the first half of 1971 they rose to 641,652 tons, compared with 608,400 tons in January to June last year. But this increase is below the rise in production during the same period and it is expected that the stocks figures will go up sharply.

Of particular significance is that Chinese purchases have dwindled to a small amount, although it is hoped that the Chinese trade delegation expected in Malaysia later this month will finalise arrangements to buy up the Malaysian Government stockpile and make a more permanent deal to purchase between 150,000 to 200,000 tons annually. The Soviet Union has also been buying less, apparently.

Meanwhile purchases by the U.S. are expected to slacken off in the next few months, since buying so far has been against the possibility of a prolonged strike by U.S. dock workers in September.

Stockpiling against the dock strike could be one reason why the U.S. stockpile authorities were able to announce yesterday that they had managed to sell in July the total 6,000 tons of rubber declared surplus for release at the apparently high price of 17.75 cents a pound.

A similar quantity is to be offered this month, despite pleas from the producing countries, led by Indonesia and Malaysia, that the amount offered be halved at the very least.

Market sources in London allege that the disposals of rubber from the U.S. stockpile are possibly open to over-generous discounts in view of the poor quality of the rubber that has been stored for long periods. But the fact remains that 6,000 tons of rubber has been sold in competition with the producing countries.

Nevertheless the widening gap between the nearby and forward positions in Malaysia suggests that the present low point of the spot price has been artificially depressed by a technical market position in which previous buyers are unloading their holdings.

'Artificially low'

In contrast the London market is being sustained by previous sellers at lower levels having to cover themselves with purchases, and there seems to be a growing reluctance to sell at present, with some difficulty experienced in obtaining certain grades.

The fundamental position of supply and demand points to the surplus of supplies continuing, but with the help of China the London market view that the present price levels are artificially low may well be vindicated.

New fowl pest vaccine approved

IMMEDIATE USE of a stronger vaccine against fowl pest was authorised by Mr. James Prior, Minister of Agriculture, yesterday. This live vaccine, developed in America and widely used in Holland, is a new weapon in the battle against the epidemic which began a year ago.

Mr. Prior said he had taken this step on the advice of veterinary experts. There was now sufficient evidence that if correctly applied this vaccine, called La Sota, "has no untoward side effects on birds, domestic or game." When used as a booster dose, La Sota vaccine gave longer-lasting protection than the mild Hitchenor B1 vaccine, he said.

This was authorised for use last December—the first time a live vaccine was permitted—when the epidemic was at its peak.

Applications for licences to manufacture La Sota vaccine in this country are being considered by the Ministry. Meanwhile it is being imported from France and Holland.

Nearly 7,000 outbreaks of fowl pest, involving about 43m. broiler and laying chickens and turkeys, have occurred since the epidemic began. In recent weeks the number of new outbreaks has fallen sharply, but they still run at the rate of about four a day.

Chile President in bid to end copper strike

SANTIAGO, August 5.

President Salvador Allende of Chile to-day announced he would go to El Salvador copper mine in a personal bid to end the strike by 4,600 miners which started last Saturday over the terms of a new labour contract.

"I will go to the mine to exercise the moral authority I believe I have, but not to apply any coercion to the miners," he said.

Meanwhile miners' leaders are due in Santiago for new talks aimed at ending the strike. This follows the return from the mine of Mines Minister Orlando Cantuaris and Labour Minister Jose Oyarse, who after two days of unsuccessful talks said the strikers were adamant about a 46 per cent. pay rise.

Reuter

Cutback in nickel output

By Our Commodities Staff

A CUTBACK in nickel production was announced yesterday by International Nickel of Canada, the world's biggest producer, because of a decline in demand.

Inco announced it was suspending operations at two mines, Murray Mine in Ontario and Soab in Thompson, Manitoba, and effective from September this would reduce output by 3m. lb. or 7 per cent. of Inco's total production.

The company added that despite this cutback, it was continuing output at a rate substantially above current market requirements.

Earlier this week, Inco, explaining why it had reduced its dividend, said that primary nickel deliveries had continued to fall in the first and second quarters of this year because of a slow-down of activity in the metal's industry, consumers reducing their stocks and larger amounts of low-priced nickel scrap were being used.

But Inco stressed its faith in the future growth of demand for nickel by continuing with a huge investment programme that will bring a considerable increase in production during the years ahead.

New U.S. feed grain scheme planned

CHAMPAIGN (U.S.), August 5.

THE U.S. Department of Agriculture is working on a new feed grain programme for next year, associate administrator of the Agriculture Stabilisation and Conservation Service Carroll Brunthaver, told the Corn Blight conference here.

He suggested one of the aims of the programme will be to shift about one to two million acres of feed corn to beans.

The feed grain carryover for corn, oats, sorghums and barley is down about 30 per cent. from a year ago to about 34 to 35.5m. tons, the lowest level since the Korean war.

Meanwhile, U.S. DA secretary, Clifford M. Hardin, told a Press conference here yesterday he was reassured about prospects for the 1971 corn (maize) crop as a result of the national corn blight conference.

Asked about Japanese soyabean imports being reduced because of strained relations with Japan, Mr. Hardin said he did not expect a reduction. Assistant U.S. DA secretary Clarence Palmby interjected to say it was "erroneous" to claim relations were strained with Japan.

HARVEST PROSPECTS

Barley looks good, wheat uncertain

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

ESTIMATING crop yields before harvest is a notoriously inexact science, and the stuff of which the dreams of foolish farmers are made. Most of us allow our imagination to run riot, and can seldom bear to compare the harsh reality of the post-harvest weighbridge with our optimistic forecasts.

The trouble is that the crop is at risk right up to the moment the combine harvester devours it. It is only after harvesting is completed that accuracy in estimating can be established

Main risks

The two main risks are disease and storm damage. The crop may look perfect, thick, and healthy, right up to the time of ear emergence and then discoloration will disfigure the leaves of the barley. The chaff of the wheat ear, instead of ripening to gold or white, according to its strain, will turn a nasty brown.

I cannot begin to enumerate the manifold diseases that afflict the cereal plant; the rusts and mildews, glume blotch and so on. All that matters is that anything that affects the plant reduces yield to a greater or less extent. The degree of this damage is partly dependent on the weather, which has an influence on the development of the disease, and also the resistance that the breeders have been able to breed into the plant.

The effect of these foliar diseases on barley is to cause the premature death of the plant. Instead of the grain being plump and fully developed, it becomes thin and the bushel weight, which is another term for density, is low. Crops that have been affected in this way look to be ripening off normally, but the reality is that the supply of food and moisture from the leaves to the grain has been affected by the dying off of the leaves.

This used to be blamed on drought. But it is now generally accepted that disease is the main cause, and estimates of the amount of damage caused range from 10 per cent. to 30 per cent. of the expected yield. Foliar sprays and seed dressings have been developed for mildew, and one is on the way for rust. But so far the results of their use is, to most farmers' minds, inconclusive, so they are not universally used.

Winter varieties, which make up the majority of the British wheat crop, suffer little from drought but seem to be more at risk from disease than barley. The weather during July is crucial. If it is fine, hot and sunny, yields will be good. If it is damp and cool, they are unlikely to be.

The weather this season has on the whole been kind to cereals, anyway in the South of England. There has been very little storm damage, and few crops are laid, the heavy soaking the spring barley received during the last weeks of June made for very even heading. All too often barley ears emerge unevenly and a proportion never seem to clear the stem. This time they form a good solid top to the fields and are well filled, although not quite matured enough yet to give an idea of bushel weight and yield.

These barley crops are very thick, and this is an advantage because when ripe the straw tends to break and a thin crop usually means that the heads fall below the knife level. A really thick crop, on the other hand, will form a dense mass which can be peeled off without much loss. Indeed I like to see barley in this condition once ripe, as it is less in danger from bad weather, particularly strong winds.

Wheat crops looked extremely healthy until two or three weeks ago when a certain amount of discoloration appeared on the ears. There had been some mildew and brown rust on the leaves as well. The grain on the fields I have inspected, although still green, looks to be well filled, but I have never known a dirty-looking crop, which is the best description I can give of these, to yield as well as it should. It seems to me that this year the earlier ripening varieties could yield better than the later ones.

The general appearance of the crops has been spoiled by a good deal of weed growth. Wild oats are invading more and more acres of Southern England. They are not thick enough in most cases to affect the crop, but they are becoming an increasing problem, particularly in spring barley. Wheat does not seem to be so badly affected yet, probably because so far we have mainly the spring strain of this weed.

Infestation

But wheat crops this year are quite badly marred by an infestation of grasses which are heading well above the grain heads, and in some cases almost hiding the crop. The effect on yields is doubtful, the damage may be more apparent than real, but these seedings of rough stalked meadow grass and ryegrass will mostly fall before the crop is cut, and remain in the soil to provide a threat in future years.

After all these qualifications I will stick my neck out and simply state that as far as the South of England is concerned, spring barley looks to be fairly promising, certainly much better than last year, while wheat is still uncertain, but unlikely to be quite as good as in 1970.

'EEC will lift meat profitability'

BY OUR COMMODITIES EDITOR

A GENERALLY optimistic picture of the future of U.K. livestock farming under the European Common Agricultural Policy is painted in a booklet just issued by the Meat and Livestock Commission.

Examining aspects of meat production and marketing in an enlarged Community, the booklet forecasts an expansion in the market for pigmeat, and more profitable conditions for sheep and beef production.

In the case of pigs, it says that the change from a deficiency payment system and the higher level of protection resulting from membership of the EEC would mean higher wholesale and retail prices for pigmeat in the U.K. "But given a transitional period of five years (as seems likely at present), there should be no marked effect on the consumption of fresh pork, bacon and manufactured products."

Indeed, the booklet suggests that the price relationship between pigmeat and beef should move in favour of pigmeat and, according to various estimates, future demand could be between 15 per cent. and 20 per cent. above current levels by 1980.

Turning to sheep, it says that on the basis of production and consumption in recent years, an enlarged Community would be about 60 per cent. self-sufficient in lamb and mutton.

"Whatever the system of protection ultimately adopted in a common sheep policy in an enlarged Community, there are strong reasons for anticipating that producers' returns in the U.K. will be higher than the present level of guaranteed prices. The U.K. sheep producer's costs—largely grazing—would rise less than for other forms of livestock production. Sheep production on the whole therefore could become more profitable than it has been in the past."

Wool is treated as an industrial product in the EEC and does not come under the Directorate General for Agriculture. "The U.K. producer, especially the hill sheep producer who obtains a relatively larger return from wool than the lowlander, could well find the rise in meat prices offset by the fall in wool prices."

On cattle, the booklet says that at current price levels the increase in the profitability of beef production, or rather certain beef systems, will be greater than for milk production. "One of the direct effects of the more lucrative prospects for beef will be to create an increased demand for calves of improved beef characteristics. Since the majority of the animals for beef will have to continue to come from the dairy herd, the latter will be under pressure to produce a greater volume of beef potential."

It emphasises that the removal of the deficiency payments system and the adoption of a levy system would be likely to expose the U.K. beef producer to a greater degree of price fluctuation both seasonal and cyclical.

The booklet is not intended to be an exhaustive study but a simple guide to the EEC regulations as well as the possible effects of U.K. entry.

Copies available free from the Meat and Livestock Commission, Queensway, Bletchley, Bucks.

Dairy cutback achieved by Six

BY OUR OWN CORRESPONDENT

BRUSSELS, August 5.

THE COMMON MARKET schemes to reduce milk output by paying a $200 premium for every dairy cow slaughtered, and a similar premium for the "non-commercialisation" of milk have been completed successfully.

The Brussels Commission has revealed here that the target of 500,000 dairy cows either slaughtered or taken out of commercial milk production has been met.

The most up-to-date statistics show that some 235,000 cows were slaughtered—65 per cent. of them in West Germany—to earn the premium. Moreover the plan has met its objective in that most of the slaughtered cattle belonged to small farmers owning between two and five cows only.

Milk from a further 271,000 Community cows has been withheld from the market under the parallel programme. Most of these were in France and West Germany.

They were initiated at a time of world-wide dairy surplus production, and a total surplus production in the Common Market last year of about 200,000 tons of butter. Latest Commission estimates forecast total butter stocks this year of only 26,000 tons.

However, the Commission remains unconcerned about the present world-wide shortage of dairy products. It puts this down to poor climatic conditions that it thinks will not recur next year.

Although the Commission has proposed a range of price increases for the 1972-73 marketing year, it has gone out of its way to discourage dairy farmers by not recommending increases for milk fat products, including butter.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Closed lower on the London Metal Exchange. Prices were firmer at first owing to influential buying, thought to be on producer account, initially in cash metal and then in forward. News that the talks to end the strike at El Salvador in Chile had broken down was also a firming influence. In the afternoon, however, the U.S. market started to decline and this, coupled with influential selling, took prices lower with forward metal trading down to £461½ before closing at £462½ on the late Kerb. Turnover 10,675 metric tons.

Henry Gardner and Co. reported that in the morning wirebars cash traded at £456, three months £466, 65.5. Cathodes: cash £445.5, 45, 45.5, three months £455,

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Wirebars				
Cash	456-.5	+.5	451.5-2	-2.75
3 months	465.5-6	+.5	461.5-2	-2.5
Settlem't	456.5	+.5	—	......
Cathodes				
Cash	445-6	-.25	440.5-1.5	-2.5
3 months	455-6	......	451-.5	-2
Settlem't	446	......	—	......
U.S.Smlt	—	......	*52.75-53	......

£455.5. Kerbs: Bars: cash £453, 55.5, mid-Aug. £455.5, three months £465, 6, 65, 64.5, 65. Afternoon: Wirebars: cash £453, 51, 51.5, 52, mid-Aug. £452, late Aug. £455, late Oct. £461, 61.5, three months £463, 62, 63, 62.5, 62, 61.5, 62, 62.5, 62, 61.5, 62. Kerb: cash £452.5, early Oct. £459.5, late Oct. £451.5, three months £462, 62.5, 63, 62.5. Cathodes: cash £441, three months £450, 51, 50.5, 51.

TIN—Barely steady. Despite the moderate rise in Penang, prices ended with marginal losses. More interest was shown in cash metal during the afternoon prompted by thoughts that the Buffer Stock manager may buy metal at around the current levels. Turnover 585 tons.

Morning: cash £1,429, 26, 27, early Sept. £1,441, three months £1,446, 45, 46, 47. Kerbs: three months £1,445. Afternoon: cash £1,427, 26, three months £1,447, 45, 46. Kerb: three months £1,445, 46.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	1427-8	-5	1426-7	-2.5
3 months	1446-7	-2	1445-7	-1
S'ment	1428	-5	—	......
Straits Ep	1452.50	+1.44	—	......
New York	—	......	—	......

LEAD—Lost ground in idle trading, the market lacking any fresh incentive. Turnover 1,550 tons.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	108.75-9	-.125	108.5-.75	-.625
3 months	111.75-12	......	111.5-.75	-.5
S'ment	109	-.25	—	......
N.Y. Spot	—	......	*14-14½	......

Morning: cash £109, three months £112. Afternoon: cash and mid-Aug. £108.75, mid-Oct. £111, three months £111.75.

ZINC—Turned easier. Hedge selling in forward metal and pricing operations in cash found the market almost devoid of buyers. Values were a little steadier at the lower levels, however. Turnover 2,275 tons.

Morning: cash £133.25, 33.5, three months £137.5, 37.25, 37. Kerb: three months £137. Afternoon: mid-Aug. £133.5, mid-Sept. £135.25, three months £137.25, £137. Kerb: three months £137.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	133.5-.75	-.5	133.25-.75	-.75
3 months	136.75-7	-.375	136.75-7	-.5
S'ment	133.75	-.5	—	......
E St. Louis	—	......	*17	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.2p an ounce lower all-round in the London bullion market, with spot at 67p (162.1c). A moderate business was done, with prices ending about 0.5p below the fixing level.

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or —	LME close	+ or —
Spot	67.0p	-0.2	66.45p	-0.15
3 months	68.3p	-0.2	67.75p	-0.1
6 months	69.7p	-0.2	—	......
7 months	—	......	69.7p	-0.05
12 months	72.6p	-0.2	—	......

LME—Turnover 44 (141) lots of 10,000 ozs. Morning: cash 67.6, 66.9, three months 68.2, 68.1, 68.2. Kerb: three months 68.1. Afternoon: three months 67.9, 67.8, 67.7.

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Sept. £123-£127 (same), Nov. £121-£127 (same), Jan. £120-£126 (same), March £119-£125 (same), May £116-£124 (same), July £117-£123 (same), Sept. £116-£122. Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

Conditions were not particularly active and prices again closed virtually unchanged after fluctuating narrowly above the previous close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No2Contract			
September	248.0-8.5	......	246.5-50.5
December	256.0-6.5	......	255.0-9.0
March	261.5-2.0	......	261.0-4.5
May	264.5-5.0	......	264.0-7.0
July	268.0-8.5	......	268.0-70.0
September	271.5-2.0	-0.5	274.0
December	275.5-6.0	-0.0	275.5-8.0

Sales: 2,636 (3,159) lots of 5 tons each.

COFFEE

Futures were barely maintained during the morning session in thin two-way dealings of only 46 lots. Terminal showed very little price change during an afternoon featured by modest straddling operations. At the close the market was steady, unchanged to £0.50 per ton up on balance in a turnover of 101 lots.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per ton		
September	370.5-1.0	......	370.0-0.5
November	358.0-8.5	+0.5	357.5-9.0
January	352.5-3.0	+0.5	352.0-2.5
March	348.0-8.5	......	348.0-8.5
May	344.5-5.0	......	345.0
July	342.5-3.0	......	342.0-2.5
September	340.0-1.0	-0.25	340.5

Sales: 101 (291) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound): Colombian Mild Arabicas 48.00 (same). Other Milds 45.75 (same). Unwashed Arabicas 42.00 (same). Robustas 42.38 (same). Daily average 43.75 (same).

FREIGHTS

DRY CARGO—Slightly more active conditions noted in the North American grain section with cargoes fixed from Toledo to St. Nazaire at $6.75 f.i.o. completing St. Lawrence $2.75 for Sept. and from the U.S. Gulf to Buenaventura at $4.25 free discharge for Aug. A cargo of grain, 11,000 tons, was also fixed from Norfolk to Poland at $51,000 f.i.o. for Aug. and a cargo of soya bean meal from Baltimore to the Italian Adriatic at $6.50 f.i.o. for Aug.

Two cargoes of oil seeds were fixed from Lakehead to Dunkirk at $7.50 f.i.o. for Aug.-Sept. and at $8.60 for Aug. In the sugar section the unchanged rate of $3.75 f.i.o. was paid for a cargo from Jamaica to the U.S. Gulf for Aug. Indian Government brokers continued to indicate £4.75 for wheat from Port Churchill to India for up to Sept. 5 cancelling. Time charterers opened for a geared bulk carrier of 20,000-21,000 tons for a voyage from St. Lawrence to the Persian Gulf Aug. 25-Sept. 3.

OIL TANKERS—More inquiry with Petrofina, the Turkish State oil company, Fiota and Norwegians seeking tonnage in the Persian Gulf. A 97,000-tonner was taken from Persian Gulf to Brazil this month at Worldscale 49½ and Spanish charterers are still open for August tonnage. Up to W.60 has been paid or quoted for large-size Persian Gulf to west tonnage and for smaller Persian Gulf to India tonnage, over W.90. Major British oil companies, however, are still out of the market. In the period charter market there is inquiry by U.S. companies for short-term—one to two years—time-charter.

COTTON

Unchanged, reports Eccles and Stern.

(New pence per kilo)

COTTON	Yesterday's Close	+ or —	Business Done
October	30.40-.80	......	—
December	30.40-.80	......	—
March	30.40-.80	......	—
May	30.40-.80	......	—
July	unquoted	......	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch, Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 162 metric tons. The total for the week so far was 889 tons. Scattered inquiries were encountered for autumn shipment but few orders were mentioned. Spinners awaited the crop report before putting down more contracts in American varieties, reports F. W. Tattersall.

RUBBER

EASIER opening, but sellers were reserved and the market closed on a steadier note. Lewis and Peat reported a godown price of 91.50 Malayan cents (buyer, August).

Contract	Previous Day's Business	12.45 p.m. Official prices	Closing buyers prices	Rise or fall
C.I.F.	p	p	p	p
August	not avail.	13.75-.4*	13.35	+0.1
Sept.	not avail.	13.55-.6	13.65	-0.05
Oct.	not avail.	13.85-14.1*	14.0	+0.05
Landed				
Spot	—	14.45-.6	14.65	+0.05
Sept.	—	14.65-.8	14.8	......
Oct.	—	14.95-15.15	15.1	......
Nov.	—	15.25-.4	15.4	......
Oct.-Dec.	—	15.25-.4	15.4	......
Jan.-Mar.	—	16.0-.15	16.15	......
Apr.-Jne.	16.9	16.7-.85	16.85	......
July-Sept	—	17.4-.65	17.55	......
Oct.-Dec.	—	18.0-.25	18.15	......
Jan.-Mar.	—	18.4-.65	18.6	+0.05
Apr.-Jne.	19.15	18.9-19.15	19.05	......
July-Sept	—	19.15-.4	19.3	......
Oct.-Dec.	—	19.4-.65	19.55	......

* Nominal

Malayan thick crepe Aug. 19.1* (seller). Ceylon thick crepe Aug. 22.5* (seller).

SOYABEAN OIL

Quiet, untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or —	Business Done
	£'s decimal long ton		
September	133.0-43.0	......	—
November	129.0-40.0	......	—
January	123.0-32.0	......	—
March	122.0-31.0	......	—
May	120.0-30.0	......	—
July	119.0-29.0	......	—
September	118.0-26.0	......	—

JUTE

DUNDEE—Steady. Offers c.i.f. U.K. for Aug.-Sept. shipment. PWB £155, PWC £145, PWD £135.50. Tossa: for Sept.-Oct. shipment PTB £163, PTC £152, PTD £142. Calcutta goods steadier. Quotations are c. and f. U.K. for August shipment 10 oz. 40 in., £8.73, 7½ oz., £5.13 per 100 yards; Sept. £6.65 and £5.09: Oct. £6.56 and £5.03. "B" twills £17.90 for August shipment. Yarns and cloths unchanged with prices unchanged.

LONDON—Quiet. PWC grade Sept.-Oct. £146.50 seller. PWD grade Sept.-Oct. £137.50 seller. A long ton.

CALCUTTA—Quiet. Indian spot Rs.370.00 value. Dundee Daisee spot Rs.355.00 value. A bale of 400 lbs.

SUGAR

LONDON DAILY PRICE—Unchanged at £43.30. After opening at slightly lower levels prices eased back sharply as a wave of selling found a lack of buying interest, reports C. Czarnikow. The cheaper offers attracted buyers, however, and by mid-day prices had risen by up to 20 points. Values then fluctuated erratically, moving back to the lows on weaker New York advices and lifting back to mid-day levels again by the closing call.

Sugar Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	43.65-.70	43.90-44.05	43.65-44.05
Oct.	44.15-.25	44.30-.35	44.10-.45
Dec.	44.50-.55	44.85-.90	44.45-45.00
Mar.	45.65-.70	46.05-.15	45.50-46.10
May	45.75-.80	46.20-.25	45.60-46.45
Aug.	45.50-.60	45.95-46.00	45.40-.90
Oct.	45.25-.30	45.65-.75	45.10-.50

Sales: 2,553 (3,549) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks were £4.33 (same) for home trade and £59.30 (same) per ton for export.

SUNFLOWER OIL

Quiet and untraded, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or —	Business Done
	£'s per long ton		
September	160.0-6.0	......	—
November	160.0-7.0	......	—
January	158.0-64.0	......	—
March	157.0-63.0	......	—
May	154.0-62.0	......	—
July	153.0-61.0	......	—
September	150.0-60.0	......	—

WOOL FUTURES

MERINOS—Market inactive and unchanged, reports G. W. Joynson.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or —	Business Done
October	81.5-2.5	-0.15	82.0
December	83.0-4.0	......	—
March	83.5-4.5	......	—
May	84.0-5.0	......	—
July	84.0-5.1	......	—
October	85.1-6.0	......	—
December	86.0-7.0	......	—

Turnover: 1 (18) lots of 2,250 kilos.

SYDNEY—Steady. Close: Oct. 140.0-140.2, Dec. 142.3-142.5, March 145.5-145.7, May 147.8-147.9, July 149.6-149.8, Oct. 150.0-150.2, Dec. 150.8-151.0.

GRAINS

THE BALTIC—U.S. corn continued to meet interest both for direct shipment and transhipment, and inquiry was again quoted for denatured feed wheat.

£31.95 East Coast. U.S. Red Winter No. Wheat—Canadian Manitoba No. 2 Sept. £31.95 East Coast. U.S. Red Winter No. 2 Aug. transhipments £27.30 seller East Coast. U.S. Hard Winter No. 2 13½ per cent. Sept. transhipment £29.20 seller East Coast, Australian f.a.q. Oct. transhipment free-out £28.25 seller, Tilbury, French Aug. £26.50 seller East Coast.

Maize: No. 3 Yellow American Aug. unqualified, Sept. £26.15, Oct. £26.00, Nov £25.50 sellers Tilbury.

Barley: Canadian No. 2 Aug £25.25 seller Avonmouth levy buyers account.

LONDON HOME GROWN FUTURES—Wheat, steady. Close: Sept. Group "A" 23.750, Nov. 24.700, Jan. 25.625, March 26.475, May 26.950. Business: Nov. 24.700-24.650, Jan. 25.575 only, May 26.900 only.

Barley: Slightly easier. Close: Sept. Group "A" 22.800, Nov. 23.525, Jan. 24.325, March 25.125, May 25.925. Business: Sept. 22.650-22.600, Nov. 23.525 only, Jan. 24.325 only, March 25.125 only, May 25.925 only.

Group "A" covers Cambridgeshire, Essex, Greater London Council area, Hertfordshire, Huntingdonshire, Norfolk, Soke of Peterborough and Suffolk.

...MARK LANE—Average sellers per long ton for Aug.-Sept. delivery London area. Wheat soft milling £24.00 to £24.50. Semi-hard and hard unquoted feed Aug.-Sept. £24.00 value. Barley malting £26 to £30 as to quality. Two-row feed £22.75 to £23.25. Oats milling £22.50 value, feed unquoted.

HGCA—Location average ex-farm spot prices. Soft milling wheat: Hitchin £23.15. Feeding barley: Driffield £22.50, Hitchin £21.20.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 17.5p to 20.4p, Ulster hindquarters 22.9p to 24.2p, forequarters 12.5p to 13.3p, Eire hindquarters 22.1 to 23.3, forequarters 12.1p to 12.9p. Argentine Chilled Boneless Cuts: Strip loins 38.7p to 40.0p, Rumps 32.5p to 35.0p, Top sides 30.0p to 31.0p, Silversides 27.5p to 28.5p, Thicks 27.5p to 28.5p.

Veal: English fats 28.5p to 30.0p, (high quality) 31.0p.

Lamb: English medium 14.2p to 17.5p, (high quality) 19.2p, heavy 12.5p to 15.0p. Scotch medium 14.2p to 16.7p, heavy 12.5p to 15.0p, Eire 13.3p to 15.0p. Imported Frozen—N.Z. D's 13.2p to 14.3p, 2's 12.5p to 13.0p, 8's 11.7p to 12.5p, YLs 11.7p to 12.5p, YMs 12.0p to 12.8p.

Ewes: 4.0p to 6.0p, (high quality) 7.0p.

Pork: English, under 100 lbs 10.0p to 15.0p, 100-120 lbs 10.0p to 14.3p, 120-160 lbs 10.5p to 12.5p, 160-180 lbs 10.0p to 11.0p, 180 lbs and over 9.2p to 10.8p.

Meat Commission average prices at representative markets yesterday. U.K.—Cattle £12.28 a live cwt (+0.01 on previous week), sheep 16.7p a pound (same), pigs £1.73 a score (−0.11). Cattle sample incomplete. England and Wales—cattle numbers down 4.1 per cent. average £12.38 a live cwt (+0.06), sheep numbers down 9.1 per cent. average 17.1p a pound (+0.1), pig numbers up 12.4 per cent. average £1.72 (−0.11).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, 36 £2.35-£2.40, 40 £2.50-£2.55, 48 £2.75-£2.80, 56 £2.55-£2.60, 64 £2.40-£2.45; Israeli: Jaffa 32 £2.30. Oranges—Brazilian: £1.50-£1.60; Israeli; Valencia Lates £1.35; South African: 56/150 £1.65-£1.80, Valencia Lates £1.65-£1.95; Australian: £2.60-£2.75. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.50-£3.25; Californian: £3.25. Melons—Israeli: Ogen £1.30; Spanish: yellow £0.70-£0.80; French: Charentais £1.00. Water-melons—Spanish: £1.10; Italian: £1.10; Hungarian: £1.40. Grapes—Belgian: per pound, Royal £0.25; Cypriot: Sultana £0.05, Thompson Seedless £0.09: Italian: Regina £0.03. Apples—New Zealand: Granny Smith £2.50-£3.60; Tasmanian: Sturmers £3.40, Democrats £2.40-£2.60, Granny Smith £3.80, Croftons £2.60; West Australian: Granny Smith £3.80; Victorian: Yates £2.70, Granny Smiths £3.70-£3.75. Pears—Australian: Packham's £2.80, Josephine £1.90: Italian: per pound Williams £0.05, Guyots £0.04: French: per pound, Guyots £0.04. Peaches—French: £0.50-£0.65; Italian: Large £0.75-£1.00. Apricots—Hungarian: £0.75. Plums—Spanish: Santa Rosas £0.80-£1.30; Italian: Burbanks, large trays approx. 18 lbs, £1.60-£1.70. Greengages—Spanish: £1.00-£1.30. Avocados—South African: 12/20's £2.50-£2.60. Tomatoes—Guernsey: per pound, £0.12: Jersey: £0.12; Dutch: £0.12. Onions—Spanish: £1.10. Capsicums—Italian: per pound £0.06.

English produce: Cabbage—Crate £0.50. Lettuce—Round 12's £0.25-£0.30, Cos 12's £0.40-£0.50. Potatoes—£0.50-£0.60. Mushrooms—Per pound, £0.13-£0.17. Cucumbers—Per trays, 12/18's £0.45-£0.70. Cauliflowers—12s £0.80-£0.90. Tomatoes—Per pound, £0.11-£0.12. Celery—12/30's £0.60. Beans—Per pound, ground £0.04-0.05, stick £0.09-£0.10. Peas—Per bag, approx. 38 lbs £0.80. Carrots—28 lbs bag £0.40. Beetroot—Per bag, £0.25. Courgettes—Per pound, £0.03. Blackcurrants—Per pound, £0.14-£0.16. Apples—28/30 lbs Grenadiers-Early Victorias £1.00-£1.10; approx. 30 lbs Beauty of Bath £1.30.

★

COPRA Philippines—Indonesian: Aug. $189, Sept. $195, Oct. $193½, Nov. $199½ resellers. Sept. $193½ paid, Oct. $197 bidding.

★

GRIMSBY FISH—Good supply, fair demand. Shelf cod 95p to £1.30, medium haddock 85p to 97p, medium plaice £1.45, coalfish 42p to 50p, catfish £1.07.

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PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 5 1971	+ or —	Month ago
Metals			
Aluminium (a) (x)	£257.20	......	£257.2
Copper			
Cash Wire Bars (u)	£451.75	-2.75	£467.5
3 months do. do. (u)	£461.75	-2.5	£477.5
Cash Cathodes (u)	£441	-2.5	£456.5
3 months do. do. (u)	£451.25	-2	£466.5
Gold ....Troy ozs.	$42.75	......	$40.30
Lead, Cash, (u)	£108.625	-.625	£107.875
3 months (u)	£111.625	-.5	£110.5
Nickel (u)	£1,246.5	......	£1,246.5
Platinum (b) troy oz	£50	......	£50
Freemarket	£46½-50	......	£44½-6½
Quicksilver (76 lbs)	£212	......	£212
Silver Troy oz.	67.0p	-0.2	65.5p
3 months	68.3p	-0.2	66.8p
Tin Cash (u)	£1,426.5	-2.5	£1,450
3 months (u)	£1,446	-1	£1,464.5
Wolfram 22.04 lbcif.	£16½-18	......	£20-1.5
Zinc Cash (u)	£133.5	-.75	£128.75
3 months (u)	£136.875	-.5	£131.75
Producers (u)	£150	......	£150
Oils			
Coconut, Malayan	£146 (m)	......	£138
Groundnut			
3.5%	†£194 (t)	......	£195
Linseed Crude	†£111 (t)	......	£111.5
Palm-Malayan	†£115 (k)	......	£108.5
Soyabean a	†$346 (t)	......	$325
Seeds			
Copra, Philipp. ton	†$188 (t)	+3	$210
Gr'ndnuts Niger'n	‡	......	£100
Linseed Crude No.1	£49.75	......	£48.70
Grains			
Barley			
Can No. 2	£25.25	......	£27.45
Home Futures	£23.525	-.075	£23.90
Maize			
No. 3 Yellow Am.	£26.15	-0.10	£28.90
S.A. Yellow Flint	‡		‡
Wheat			
No. 2 Manitoba	£31.95	......	£32.10
No. 2 Hard Winter	£29.20	......	£31.00
Australian	£29.25	......	£29.25
English Milling	£24	-4.5	£28½-9½
Cocoa Shipmt (s)	£256	......	£234.50
futures Dec.	£256.25	+1.0	£236.25
Coffee Shipment (c)	38.25	......	‡
futures Nov.	£358.25	+0.50	£360.75
Cotton Liverpool cif index cents per lb.	34.35	......	33.35
Jute LJA PWC	†£146.50 (p)	......	£150.2
Rubber ....Kilo	14.65p	+0.05	15p
Sisal EA 3L (x)	£82	......	£78-79
Sugar	£43.30	......	£43.50
Wooltops 64s ...Kilo	90p	......	90p
Cloves	‡	......	79½p
Pepper White ...ton	†£475 (y)	......	£435
" Black ...ton	†£370 (y)	......	£352.5

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♦ Indicative price. a Canadian delivered, U.K. b U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "C." w Ex-warehouse. x C.I.f. U.K. u Metric tons. r July. t Aug. s June-July. y Sept. k May-July. j July-Aug. m Aug.-Sept. q Oct.-Nov. o Nov.-Dec. p Sept.-Oct. z Jan.-Feb. n Dec. h Dec.-Jan. v Feb.-Mar.

INDICES

FINANCIAL TIMES

Aug. 5	Aug. 4	Month ago	Year ago
84.66	85.17	85.46	87.66

(Base, July 1, 1952=100)

REUTER'S

Aug. 5	Aug. 4	Month ago	Year ago
524.9	525.6	526.5	555.9

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 5	Aug. 4	Month ago	Year ago
Spot	141.01	141.55	141.57	143.47
Futures	141.81	143.15	142.55	138.52

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 5	Aug. 4	Month ago	Year ago
Sple Commod'y	386.8	386.8	373.8	404.7

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, August 5.

PROFIT-TAKING following the recent sharp run-up kept sugar on the defensive. Soyabeans and soyabean oil eased on expectations of an increase in acreage and possible record yields. Soyabean meal was lower with other feed grains. Corn closed sharply lower on prospects of a record crop. Wheat followed corn. Bache reports:

Cocoa—Bahia spot 27½ (26½). Ghana spot 29½ (29½). Sept. 26.56 (26.79), Dec. 26.6 (26.80), March 26.93, May 27.28, July 27.60, Sept. 27.90, Dec. 28.21. Sales, 717.

Coffee—Santos No. 2/3 unquoted (same). Santos No. 4 unquoted (same). Colombian Mams 48.25 asked (same).

Copper—Sept. 49.50 (50.00 settlements), Oct. 49.95 (50.05 settlements), Dec. 50.2 Jan. 50.45 settlements. Sales, 559 lots.

Cotton—Contract No. 1 Aug. 24.00 bid (24.00 bid), Nov. 22.00 nom. (22.00 nom.), Jan. 22.00 bid, April 22.00 nom., June 22.00 nom. Contract No. 2 Oct. 31.2 31.30 (31.06-31.06), Dec. 31.90-31.92 (31.90 31.82), March 32.67-32.69, May 32.94-32.98, July 32.83-32.85, Oct. 30.35-30.40, Dec. 29.85 30.00.

§§Cottonseed Oil—Sept. 16.75 bid (16.8 bid), Oct. 16.40 bid (16.55 bid), Dec. 16.3 bid, Jan. 16.20 (same), March 16.20 bid May 16.20 bid, July 16.28 bid, Sept. 16.2 bid. Sales, nil.

♦Greasewool—Spot 54.0 nom. (53 nom.), Oct. 60.5-61.0 (60.3), Dec. 63.5-64 (63.8-64.0), March 66.5-69.2, May 69.3-70.0 July 70.2-70.7, Oct. 71.2-72.2, Dec. 72.5-73.3

Lard—Chicago loose 11½ asked (same) N.Y. drummed 14½ asked (same).

††Maize—Sept. 124½-124½ (127½-128), Dec. 121½-121½ (125½-125½), March 125½-125½, May 128½-128½, July 131½-131.

‡Mercury—Sept. 280 setts. (290), Dec. 280 setts. (290), March 280 setts., May 280 setts., July 280 setts., Sept. 280 setts. Dec. 280 setts. Sales, 4.

‡Silver—Spot 161.4 (161.5), Aug. 161.5 (161.70), Sept. 162.00 (162.50), Oct. 163.7 Dec. 165.30, Jan. 166.70, March 169.20, May 171.70, July 174.20, Sept. 176.70, Dec. 180. settlements. Sales, 1,437.

*Soyabeans—Aug. 325-325½ (328½-3 Sept. 323½-323½ (326½-326½), Nov. 315½ Jan. 318½-318½, March 322½-322½, May July 325½-325½.

bSoyabean Meal—Aug. 82.10-82.20 (82.70), Sept. 82.25-82.30 (82.75-82.70), 80.20, Nov. 80.10-80.20, Dec. 80.00-80.15, 80.30, March 81.00, May 81.75-81.90, July 82.75-82.90.

Soyabean Oil—Aug. 14.40-14.43 (14.8 14.84), Sept. 13.85-13.88 (14.33-14.35), Oct. 13.26-13.22, Nov. 12.70-12.68, Dec. 12.4 12.42, Jan. 12.35-12.36, March 12.22-12.2 May 12.15, July 12.05

Sugar—Contract No. 11 Spot 4.4 (same). Sept. 4.41 (4.44-4.45), Oct. 4.4 4.43 (4.46-4.47), Jan. 4.57 nom., March 4.62-4.60, May 4.61-4.62, July 4.64-4.63, Sept. 4.61-4.58, Oct. 4.57-4.59. Sales, 921.

Tin—164.00-65.00 (same).

**Wheat—Sept. 143½-143¾ (145½-146 Dec. 148½-146½ (149½-149½), March 148½-14 May 148½-148, July 142½.

WINNIPEG, August 5.

Rye—Oct. 94½ (94½), Dec. 94 asked (93½), May 95½ asked.

Oats—Oct. 65½ (65½), Dec. 69½ asked (69½), May 71 asked.

Barley—Oct. 107½ bid (108½), Dec. 1 (106½), May 106½ asked.

Flaxseed—Oct. 237½ (239½ bid), Nov. 237½ (239½ bid), Dec. 234½, May 244½.

Wheat—N. Manitoba No. 2 180½ (180

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. N.Y. ‡ $'s per 76-lb flask ex-warehouse. § Cents per 56-lb bushel ex-warehouse. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. ‡‡ Cents per troy ounce ex-warehouse. b $'s per short ton f.o.b. cars Decatur. c Cents per 45-lb bushel. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. §§ Basis Lubbock, Texas. ♦ New contract.

GHANA COCOA PURCHASES

ACCRA, August 5.

Purchases for the 1971 Ghana mid crop for the week ending August 5, the 11th week of the season, totalled 982 tons, the Ghana Cocoa Marketing Board said to-day.

This brings the cumulative total for the season to date to 18,432 tons, compared with 21,42 tons in the season to August 6, 1970, and 28,283 tons in the first 11 weeks of last season.

Reuter

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American News

GM plans 4.1% price rise, below Ford, Chrysler

BY JUREK MARTIN NEW YORK, August 5.

GENERAL MOTORS, the largest American car company, let it be known to-day that it is planning to increase the price of its cars in the new model year, which begins in a few weeks, by an average of 4.1 per cent., or $152 a vehicle.

The GM price increase is notably less steep than that *tentatively announced last week* by Ford, which said that it was going to post a 5.2 per cent. raise: Chrysler intimated that it was thinking in the same terms as Ford. However, such is GM's muscle in the car business that it is quite likely that Ford and *Chrysler will roll back* their planned increases to GM's level in order to preserve the price edge that they, especially Ford, *generally hold* over GM.

In practice, GM expects the increase to be slightly less than 4 per cent. It has raised the *prices of* the optional equipments it instals in its cars by just 3.2 per cent. and calculates that the "typical" new car, which *includes some optional equipment*, will cost 3.9 per cent. more than last year's model.

The GM price announcement, of course, has implications far beyond the car industry. Car prices are one of the key components in the inflation picture and the fact that GM has found it possible to hold its increases to only half that proposed earlier this week for the steel industry and lower than its competitors is not a discouraging sign. If the Nixon Administration could hold down the rate of national inflation to that of GM's higher car prices it would not be displeased.

Nonetheless, the 4.1 per cent. increase is high by the standards of the car industry. As recently as for the 1969 model year (which actually started in the autumn of 1968) GM only put up its prices by an average of 1.6 per cent.: for the 1970 model year the increase was 3.9 per cent.: a year ago, at the start of *the 1970 model year* GM went up by 4 per cent. (though by making certain hitherto optional equipment standard the actual effect *was an increase of over 6 per* cent.).

However, in an unusual step, occasioned mainly by the cost of the labour settlement last year, GM in November increased its prices by 0.7 per cent., giving an effective increase for the model year as a whole of nearly 7 per cent. If GM can hold the 4 per cent. this year, the improvement will be marked.

All-time high

The car industry as a whole is *enjoying an extremely profitable* year that is giving it some freedom in its pricing policies. Nonetheless the latest car sales *statistics, for the month of July*, are noteworthy not for the gains achieved by the domestic producers but for the continued startling inroads being made by the importers. American car companies last month increased sales by 4 per cent. on the same month last year. GM, with sales up 14 per cent., accounted for all the gains (it had a number of dealer incentive contests going). Ford was down 1 per cent., Chrysler 14 per cent. and American Motors 12 per cent.

Imported car sales put on well over 20 per cent. to the extent that in July the imports share of the overall market rose to a new all-time high of 17.9 per cent. Volkswagen sales were actually down in the month but the Japanese producers, Toyota and Datsun, had fantastic months, all the more remarkable when one considers that throughout July all the West Coast ports were shut down by the dock strike. Toyota in fact sold nearly 30,000 cars, a record for any single month.

Anguilla celebrates U.K. rule

By David Lascelles

ANGUILLA, August 5.

ANGUILLA to-morrow celebrates its detachment from the associated state of St. Kitts-Nevis-Anguilla and its reversion to colonial status with Britain, ending four years of political and *economic limbo since the* "revolution" of 1967. The detachment follows the order in council which came into force on Wednesday.

To-morrow's events, which will mark the beginning of a full week of rejoicings, include the swearing in of the Anguilla Council, the island's legislative body, and the formal election of its leader, Mr. Ronald Webster, who has headed the island since 1967. The devout Anguillians will also hold thanksgiving services in each of their 42 churches. The island's normal population of 7,000 has swelled to 10,000 for the occasion.

In an interview with the Financial Times, Mr. Webster said one of his Council's first steps would be the imposition of new taxes as a step towards balancing the island's budget *which depends heavily* on British grant in aid. These would not be levied on Anguillians but on outsiders and corporations by means of company taxes—at a level still to be calculated—and airport arrival and hotel taxes. His Council would *then set about developing* the island's economy with tourism and light industry which he hoped to attract with tax incentives.

Mr. Webster said the possibility of Anguilla rejoining St. Kitts-Nevis was "a dead letter" *even though the order in council* requires that a referendum be held within five years to determine the island's future status. Mr. Bradshaw, the St. Kitts Premier, has made no comment about the detachment since condemning it as illegal last month.

Observers in Anguilla believe that although the overwhelming majority of islanders support detachment, Mr. Webster's per*sonal following* has fallen off since the early days of the "revolution," particularly among the wealthier and better educated Anguillians who resent his emotional stance. But Mr. Webster is expected to win a substantial majority at the forthcoming elections, due to be held before the end of the year.

Canadian foreign reserves reach record figure

By Our Own Correspondent

OTTAWA, August 5.

CANADA'S foreign exchange reserves reached a record $4923.8m. at the end of July compared to $4851.8m. a month earlier.

The increases, reported by the Finance Department, are due mainly to a rise in holdings of U.S. dollars. These holdings increased to a record $3264.4m. Canadian holdings of U.S. dollars had been $3185.7m. at the end of June.

The increase in holdings of U.S. dollars apparently resulted from selling of Canadian dollars in exchange for U.S. ones as Canada tried to hold down the international exchange value of its currency.

In July Canada also acquired $17.9m. worth of Special Drawing Rights from the International Monetary Fund bringing its total to $370.6m. Canada's total reserves at the end of July included $485.1m. which it can draw from the IMF without question if *it is needed for any* balance of payments purposes.

U.S. inflation shows sharp upward turn

BY GUY DE JONQUIERES WASHINGTON, August 5.

ANOTHER key inflationary indicator turned sharply upwards to-day, when the U.S. Government announced that industrial commodity prices rose by 0.7 per cent. on a seasonally-adjusted basis in July. The increase, which was 0.5 per cent. before adjustment, is the largest for nearly 15 years.

This increase was offset in the overall wholesale price index by an absolute decline in food and grocery prices, which fell by 1.6 per cent. (or 0.7 per cent. before adjustment) during the same month. This is the biggest monthly drop since early in 1957.

While the Administration can point to the slight overall rise of 0.2 per cent. in the index as an encouraging sign, the seriousness of the increase for industrial commodities cannot be denied and is likely to have a proportionately greater impact on the economy as a whole than the fall in food and groceries.

The July increase brings the total rise in industrial material prices during the preceding six months to an annual rate of 4.7 per cent., seasonally adjusted. This is 0.3 per cent. higher than the annual rate for the same, extremely *inflationary* period, last year.

While Government economists have warned repeatedly against reading *too much* significance into one month's figures, it is unlikely that August will show any great slackening off in the industrial commodity component.

The July figures, which were inflated by price rises for metals, metal products and lumber, do not include the 8 per cent across-the-board price increases announced by the major American steel companies on Monday, following the conclusion of the contract negotiations in the steel industry. These will only start to show up this month.

Sudden, erratic price movements in food and groceries are much more common than for industrial commodities. The fall in July food prices appears to be due to an easing in supply after a period of shortage, due to bad weather which spoiled many crops in the southern U.S.

U.K. refuses to sponsor germ war ban draft

BY OUR OWN CORRESPONDENT GENEVA, August 5.

BRITAIN declined to-day to join the U.S. and Soviet Union in sponsoring a new arms control treaty for the prohibition of biological means of warfare. The treaty draft, submitted to the *Geneva disarmament conference*, was largely based on a text presented in July, 1969, by the British delegation.

Turning down an invitation by Washington to join in sponsorship of the treaty does not mean that Britain will refuse to accept the text. *British officials said.* The explanation, they said, is that the compromise version drafted by the U.S. and Soviet Union deviates from the original British text on two important points.

Britain wanted a ban on the "use" of biological agents in war to be contained in an operative article rather than in the treaty preamble. It also wanted any complaints of violations to be considered by an impartial *authority before submission to* the UN Security Council.

The U.S and Soviet Union decided to leave all complaints *up to* the Security Council alone. This, according to British negotiators, means that Moscow could block any investigation of alleged cheating by application of its veto.

It is generally believed by most conference participants, however, that to-day's U.S.-Soviet draft will, with some minor changes, receive conference approval by the end of August. The next step will then be presentation of an agreed text to *the General Assembly* for universal adoption.

Under the terms of the treaty proposal, all signatory states undertake to ban the development, production and stockpiling of biological weapons, and to destroy existing stocks. Washington and Moscow also promise to continue negotiations, "in good faith," on the prohibition of chemical means of warfare.

Difficulties in Spanish-Cuban negotiations

BY OUR OWN CORRESPONDENT MADRID, August 5.

PERSISTENT rumours circulating here about a breakdown in political and trade negotiations between Spain and Cuba have been, in part, punctured by a Spanish Ministry of Foreign Affairs spokesman. He stated that "our relations with Cuba have not reached a critical stage. The negotiations have been postponed but not interrupted because the Cuban negotiators simply have returned to Havana to make a detailed study of several complicated and important problems."

Another spokesman *hinted* at the possibility that the Spanish Foreign Minister may visit Cuba within the next few months on one of his goodwill *tours* to Latin American countries.

The Cuban trade mission arrived in Madrid two months ago *for trade and presumably*, political talks. Last year, Cuba exported $35.1m. worth of products to Spain against Spanish *exports worth about* $36.6m. The Cubans, who exhibited their products at the Barcelona fair, said they were very interested in Spanish medical equipment, transport material and technical know how against exports to Spain of mainly sugar and tobacco.

The negotiators found *it* difficult to strike a balance because Spain—now almost self-sufficient in sugar production—refused to buy more Cuban sugar. A second difficulty arose when the Spaniards proposed that the current barter deal agreement *should be reshaped* into a free convertibility agreement similar to the ones Spain has signed with other Communist countries.

According to unofficial sources, a sharper note crept into the conversations when the Spanish negotiators demanded the release of Spanish prisoners in Cuba. The Spaniards also insisted on payment of an adequate indemnification for Spanish property confiscated in Cuba.

European News

Romania's isolation in E. Europe stressed

By Michael Simmons
East European Correspondent

THE CAREFULLY controlled dialogue between the Soviet Union and Romania took a further distinctly cool turn yesterday when an editorial in Pravda, the Soviet Party newspaper, praised the Crimea "summit" of last Monday—from which Romania was excluded—as a good illustration of "un*breakable Communist solidarity*" at work. "Life many times has proved that socialist internationalism, fraternal friendship *among the peoples of Socialist* States and their unbreakable solidarity were, are and will be a reliable support and powerful weapon in the struggle against enemies," it declared.

The entire East European camp, sometimes in broadcasts beamed into Romania, has stressed the importance of the "summit". The Bulgarians, who are shortly to act as hosts during military manoeuvres along Romania's southern frontier, said of the Crimea meeting that "we can declare firmly and categorically that yet another page *has been written in the name of* close fraternal joint actions."

The Czechoslovak view was that "even though the meeting *took place during the participants'* holidays" it was of "first-rate political significance." One Prague speaker reminisced *about the Bratislava summit of* early August 1968, which preceded the Soviet-led invasion.

Meanwhile the Soviet hospital*ity being extended to those Party* leaders still in the Crimea was continued on Wednesday aboard the cruiser Leningrad, when *Mr. Brazhnev, the Soviet Party* leader, and Marshal Grechko, the Soviet Defence Minister, invited them to watch warships *firing missiles across the Black* Sea.

President Ceausescu, it is now understood, was not invited to join the busmen's *holiday* in the Crimea. The Romanian view is that the Comecon meeting of heads of Government in Bucharest last week was enough to clarify collective thinking on a number of topical issues.

France may hold up SDR allocation for 1972

BY PAUL LEWIS PARIS, August 5.

THE FRENCH GOVERNMENT may propose deferring next year's allocation of IMF special drawing rights until 1973, at the forthcoming meeting of the Fund in Washington in September. This is understood to be one of the ideas under consideration by the Finance Minister, M. Valéry Giscard d'Estaing, following his claim last week that the projected creation of another $3,000m. worth of SDRs next January could no longer be justified.

In the French view, deferment would preserve the principle of *the SDR Scheme* intact while avoiding another distribution of the new reserve units, which could only be inflationary at a *time when the U.S. is still in* deficit and world trade expanding at unprecedented rates.

In a Press speech here last *week, the French Minister* said that another allocation of SDRs next year would not "correspond to the needs of the International Monetary System" and went on to suggest that this point of view was likely to be shared by many of France's Common Market partners. It is thus possible that the French may try to get Community agreement on deferring the 1972 issue when Common Market Finance Ministers meet here on September 15 and that this could become a new element in the French attitude to the dollar and exchange rate reform which will be at the centre of discussion at this year's meeting of the Fund.

Although in the end the French went along grudgingly with the SDR scheme, they have never been enthusiastic supporters and the Finance Minister has already criticised the habit of planning allocations for three years in advance. At last year's IMF meeting in Copenhagen he suggested deciding future creations on a yearly basis in the light of the U.S. deficit, while at this year's ministerial meeting of the OECD both the German and Dutch delegates said the continuing dollar outflow made further SDR allocations difficult to justify.

Meanwhile, the IMF in Washington has replied to M. Giscard d'Estaing's observation last week that the SDR arrangement has, in any case, got off to an inauspicious start since countries show little interest in dealing in them. The Fund points out in a communiqué that SDR transactions rose from $567.5m. during the first half of 1970 to $920.4m. in the first six months of the current year.

Unwanted

However, the second half of last year saw a fall in transactions to $348.9m., while part of the increase so far this year reflects SDR sales by the U.S. Treasury to Holland and Belgium at the same time as these two countries exchanged unwanted dollars for substantial quantities of American gold.

U.S. presses to fly into Dublin

BY DOMINICK J. COYLE DUBLIN, August 5.

THE U.S. Government is *continuing* to press its case that at least one American Airline, either Pan American or TWA, should be *permitted to fly into Dublin*. There are to be formal talks in Washington on Monday on the air transport agreement between the two countries.

American carriers are now limited to using Shannon airport, and both Pan Am and TWA have suggested that permission to fly into the capital would result in an immediate and significant increase in passenger landings here. This argument has a particularly strong appeal right now in the middle of a far from good tourist season, partly aggravated by the troubles in Northern Ireland, but the Irish Government intends to try to maintain the status quo.

The Government's case is twofold: permission for U.S. carriers to use Dublin would inevitably eat into the present business of Aer Lingus-Irish, the national carrier, while at the same time diverting tourist traffic away from Ireland's mid-western region—where the State has made a very considerable investment centred on the Shannon free airport complex.

The issue was raised directly with the Prime Minister, Mr. Jack Lynch, earlier this year during a visit here by Mr. Maurice Stans, the U.S. Secretary of Commerce. Mr. Stans left the impression at that time that a concession on the question of *landing rights might well be* counter-balanced by increased U.S. investment in Ireland.

Mr. Brian Lenihan, the Minis*ter for Transport and Power*, told the Dail yesterday that the Government's concern related to the broad economic implications for the country rather than to the question of any particular right in relation to the present air transport agreement between Dublin and Washington. But tourist interests here, with the obvious exception of Aer Lingus-Irish itself, believe that opening up Dublin even to one of the major American airlines would be good for business.

The growth of American tourism in Ireland in recent years has been poor in relation *to the increase in total U.S.* traffic to Europe. Both TWA and Pan Am are extremely anxious to include Dublin on their schedules, while still serving Shannon. They have intimated to local tourist interests that opening up Dublin could result in 60,000 new tourists in the first full year of such a service.

At present, Aer Lingus-Irish is the only carrier operating on the Atlantic route able to land in Dublin. The Irish airline has landing rights in New York, Boston and Chicago, but it is not permitted to offer a service between these three cities. But non-Irish airlines using Shannon are free to sell seats on forward journeys from there.

Mild German shake-out

BY MALCOLM RUTHERFORD BONN, August 5.

SIGNS of a mild shake-out by German industry increased in July when the number of unemployed rose by 6,700. Nearly 40 per cent. of the rise was accounted for by white-collar workers. The easing of the labour situation was also reflected by a fall of 20,000 in the number of vacant jobs, in spite of demand for workers being often at its peak at this time of year.

But the overall unemployment figure is still negligible at around 142,000, or 0.7 per cent. of the labour force, up from 0.6 per cent. in June and from 0.5 per cent. in July last year. The number of vacancies is still more than 700,000.

The demand for more foreign workers, though falling, is still high. Although there is much talk of short time, the registered number of short-time workers last month was only a little over 35,000.

Portuguese police hold journalist leader

By Our Own Correspondent

LISBON, August 5.

PORTUGUESE political police have arrested Antonio Dos Santos, secretary of the Union of Journalists, it was *disclosed* in Lisbon to-day.

No reason was given for the detention, according to a statement by the union, which has sent a strongly-worded protest cable to the Prime Minister, Dr. Marcello Caetano. Sr. Dos Santos, aged 39, is the second prominent labour leader to be detained in what appears to be a crackdown on the union movement.

Riot squads

On June 30, Sr. Daniel Cabrita, leader of the National Union of Bank Employees, was taken into custody and has been held since without charges being brought against him or access to legal advice or medical aid. His detention has sparked off several violent demonstrations by bank clerks in Lisbon, who have clashed with riot squads.

The offices of the National Union of Bank Employees have also been closed on ministerial order.

Government officials could *give no reason to-day for the* detention of Senhor Dos Santos. In its message to the Prime Minister the union pointed out that he is a key *figure in current* labour contract negotiations with Portuguese and foreign news agencies and that his detention could affect these.

News of Senhor Dos Santos's detention came as the Portuguese National Assembly (Parliament), meeting in extraordinary session, gave final approval to the Government Bill to end press censorship in Portugal as it has been known for the past 40 years and replace it with other, stringent checks and balances to safeguard the national interest.

In terms of the legislation responsibility for ensuring the "national interest" effectively moves from the censors to the newspapers themselves, which will have to observe strict rules on what is fit to print. Transgression of these rules will lead to severe penalties which may include not only the editors but also individual journalists.

Officials insist there is no connection between the arrest of Senhor Dos Santos and the passing of the Press Law. Observers believe the detention of the union secretary is rather the result of growing Government fears about militancy in the union movement. This militancy has been labelled subversion, and attempts made to link it with allegedly "communist infiltration."

THE COMMON MARKET

Stirring up the Eurocrats

BY RICHARD NORTON-TAYLOR

IT IS RARE for the policies and structure of the Common Market to be opposed by the Governments of the Six, let alone by a member of the Brussels Commission itself. The comprehensive criticism of the way the Common Market is now run made in two newspaper articles by Professor Ralf Dahrendorf, Commissioner responsible for external relations, has, therefore, touched off a debate which promises to last for some time.

Under the pseudonym of "Wieland Europa" last month, Professor Dahrendorf wrote two articles in the German weekly "Die Zeit." Entitled "A new goal for Europe," the articles raised a whole series of ques*tions* about what he calls "The First Europe," constructed largely by bureaucrats inspired by the Treaty of Rome.

Empty shell

Dr. Dahrendorf did not mince his words. "Strictly speaking," he wrote, "there has been no common agricultural market for years, only a Common Agricultural Fund. There are common agricultural price decisions which are only slightly effective and which have the external effect of distorting trade and the internal one of adjusting incomes. But they do not amount to a common agricultural policy."

Of the Coal and Steel Community he wrote: "Caught between special *national* interests and general and new developments in the production of energy and of steel it has quickly lost significance." Euratom, Dahrendorf continues, "has become an empty shell," chiefly because of the clash of interests between France, the Community's only nuclear power, and her five partners.

He has strong words—though words which many of his col*leagues would* like to have had the audacity to write—on the European Parliament: "A democrat can only feel shame when he sees adult and, in their own countries, properly elected Members of Parliament playing out the farce that they have to perform ten times a year, for a week at a time, in Strasbourg or Luxembourg." He makes the obvious point that the European Parliament is forbidden to take any decisions.

Perhaps above all, Dr. Dahrendorf wanted to point to the dangers of Europe "becoming ever more bureaucratic and more illiberal." "The First Europe," he says, "is not only an illogical but an illiberal and bureaucratic Europe." He attacks what could be called the "Brussels view of Europe." Eurocrats in the "Bureaucratic leviathan" of the Commission, out to harmonise everything more or less for the sake of it.

Eurocrats go their own, unimaginative way. "The illogical route towards Europe," says Dr. Dahrendorf, "which many wanted to follow, has led us to a dead end. There are no objective rules which could force the European nations to rescue a problematic agricultural policy by introducing monetary union or to rescue a problematic economic union by co-ordinating general policies. On the con*trary, this contradictory route* means that common policies have not been formed, that economic and monetary unity *were destroyed from the start* so that only the peasants are left as proof that Europe exists."

In conversation, *Dr.* Dahrendorf describes himself as a "second generation" Commissioner in Brussels. In this role he *successfully* fought against a majority in the nine-man commission for a "realistic" Commission proposal on future trade *links* with the EFTA countries that have not applied for full membership of the Common Market. His stand for *at least the extension of* industrial free trade with these countries was opposed by most of his colleagues on the grounds that it might dilute the carefully constructed institutions of the Community and the policies that had been harmonised.

Dr. Dahrendorf appears to be on less solid ground when *he* discusses the future make-up of the institutions, and when he refers to the enlargement negotiations with Britain: "The negotiations for Britain's entry could never have succeeded if the conference of Ministers had negotiated about and considered the real *political* problems—sovereignty, a common foreign policy, other political aims, and institutions. The conference of Ministers was able to succeed only because it was discussing matters familiar to the First Europe: butter, and sugar, lamb and fish, financial percentages increasing in parabolic progressions, and the possibilities of an agricultural transitional period." This is obviously a *highly arguable assumption.* Mr. Geoffrey Rippon, Britain's Chief Negotiator, likes to stress the political and even mili*tary significance for Europe of* the enlargement of the Common Market, saying that the problems of butter and fish "given the *political* will" could be worked out on the back of an envelope, with the help of coffee and cognac, in half an hour. But, in *the event*, none of the Six, apart from President Pompidou at the Anglo-French summit, was prepared to negotiate about these bigger issues.

On institutions, Dr. Dahrendorf made an all-out attack on the committee of Permanent Representatives, made up of the Six's ambassadors to the Common Market. "One place," he says, "in which—more and more—European decisions are made (or vetoed) is the so-called Committee of Permanent Representatives—which is the least supervised, the least authorised, and, as can easily be shown, the least well-qualified to do this. In the last ten years these ambassadors of the member states in Brussels have themselves dealt with nine out of ten questions that have been put to them without their ministers ever having heard about the matter . . . if there are technocrats in Brussels—the famous objects of De Gaulle's and even of Pompidou's anger—then these are they."

Irresponsible

In what he admits privately as more or less an attempt to toss a few arguments in the air. *Dr. Dahrendorf suggests that the* Commission—now of nine men and to be increased to 14 in the event of enlargement—should *be reduced to a mere three.* "National proportions, and the careful balancing of 14 or 28 people from the member states, *can then be left to the next* level down, to a general directorate." He stresses the vital functions of the Commission—the proposer, the guardian of the Rome Treaty, the mediator, and the manager of day-to-day business—but he says that "its character as a future Govern*ment-in-waiting*" *must disappear*.

He also suggests that the French proposal for Ministers for Europe should be adopted, possibly including a new secretariat to assist them. Critics of this proposal point out, however, that such a body could become at least as politically irresponsible and as influential as the Committee of Permanent Representatives. The point is also made that it would be extremely difficult to assign responsibilities of a Minister for Europe in view of the importance of the Common Market to other Ministers and notably to Ministers of Agriculture.

Reactions to Dr. Dahrendorf's articles have come in thick and *fast, and the Brussels Commission* itself held a special restricted session to discuss the implications of the "Wieland *Europa" articles. Not surprisingly,* most Commissioners appear to be more upset about Dr. Dahrendorf's particu*lar thesis than the fact that he* aired his own ideas in public. In the latest issue of the magazine of the West German Union I.G. Metall, Signor Franco Maria Malfatti, the President of the Commission, defended the Community's traditional aims against a move towards an inter-state organisation that would water down the existing institutions.

There is no shortage of officials *in the Brussels Commission who*, more than anything else, want to stimulate a debate on the future of the Common Market. Many, in private, if not in public, welcome the Dahrendorf initiative. But, equally, the debate over the future role of the Commission is coming to a head at a time when officials are nervously awaiting an influx of an additional 2,000—of which Britain will provide some 1,500, according to current estimates—from the four candidate countries.

Orthodox

Apart from the obvious implication that some existing officials—mainly in the higher ranks—will be retired, there is the traditional bureaucratic reaction to any change in the 13-year-old organisation. The point is not lost that the rather formal, French-oriented structure and approach of the Commission will be threatened by the more pragmatic British and Scandinavian one. On top of this, Signor Malfatti's fears about diluting the Common Market institutions, *are also reflected throughout the* Commission. In Brussels, it is generally assumed—rightly or wrongly—that the idea of Ministers for Europe and a tendency towards an inter-governmental structure will be more attractive to Britain than the orthodox view of the inde*pendent Commission as the* nucleus of a European Government. Dr. Dahrendorf's articles have stimulated all these fears.

Other Overseas News

IN BRIEF

● **STOCKHOLM**—A spokesman for the North Vietnamese Embassy denied a newspaper report that North Vietnam is planning to release 183 American pilots. U.S. officials also denied taking part in negotiations with the North Vietnamese.

● **AUSTRALIAN** railway workers returned to work at midnight following a conference with the arbitration commission yesterday. The strike had brought railways to a stop in all states except Queensland and Tasmania for two days.

● **THE SOVIET UNION** and China signed an agreement on trade and payments here yesterday, the Soviet news agency Tass reported.

● **SOUTH AFRICAN** Defence Minister, Pieter Botha, announced yesterday that South Africa was seriously considering the export of arms.

● **BIHAR** State Government has asked the Indian air force to drop food to villages cut off by monsoon floods along the Ganges river and its tributaries, the Press Trust of India reported yesterday. The Bihar Cabinet has also asked the Central Government for $13m. in emergency aid.

● **INDIAN** Government has banned all power strikes in West Bengal with immediate effect under the Essential Services Maintenance Act declaring all strikes automatically illegal. The order follows a series of wildcat strikes, go-slows and work-to-rules.

● **PENTAGON** to-day said China probably had installed for the first time a "few" missiles with a range of 1,000 miles. Depending on where they were planted, they would be capable of hitting targets from Japan to India.

● **JORDAN'S** semi-official newspaper Ar Ray issued a warning against any partial peace settlement, based on re-opening the Suez Canal.

Court rules against Ky

SAIGON, August 5.

THE SOUTH VIETNAMESE Supreme Court to-day ruled against Vice-President Nguyen Cao Ky's bid for candidacy in the October presidential election.

But the preliminary court decision immediately prompted a new threat from General Duong Van "Big" Minh, the only remaining candidate to oppose President Nguyen Van Thieu, to reconsider his application.

Mr. Ky, the court said, did not have certification for 39 of his 101 endorsements from provincial chiefs. A candidate must submit 100 certified signatures and Mr. Ky claimed he handed in a total of 102 names.

Reuter

Sudan stresses importance of ties with China

BY OUR OWN CORRESPONDENT

CAIRO, August 5.

RADIO Umdurman announced last night that Sudanese President Jaffar al Nimairi has sent "an important message" to Chinese leaders Mao Tse-tung and Chou En-lai, and Khartoum newspapers reported that a high Sudanese delegation will visit China soon for discussions on greater co-operation and a strengthening of relations between the two countries.

At a Press conference yesterday, one day after his appointment, Sudan's new Foreign Minister, Mansour Khaled, revealed that at the time of the July 19 coup the Chinese-Sudan friendship society had organised demonstrations in Peking in support of the Nimairi regime.

Khaled said Nimairi had received the Chinese ambassador yesterday to express his own and his Government's gratitude for China's support. The Minister described China as a friend of Sudan, linked with it by excellent relations and close co-operation. He referred specifically to an economic and technical co-operation agreement providing for $45m. of Chinese aid. As far as is known, none of this aid has been utilised.

At the Press conference, Khaled, who replaced the pro-Nimairi Communist Faruk Abu Esa on Tuesday, said that Sudan's foreign relations were being re-examined, but he stressed that Sudan did not want further deterioration in relations with the Soviet Union.

He also said that the break in relations with the U.S., dating back to the Arab-Israeli war, would continue, but he believed that economic and cultural links would develop. Relations with Britain, France, Italy and other European countries were excellent, Khaled said. The Sudanese ambassadors in London, Rome and Belgrade had been called home only for consultations.

Cairo observers do not see yesterday's announcement as marking a Sudanese rapprochement with Peking at Moscow's expense. The Nimairi Government, they believe, wishes to demonstrate its independence to the Soviet Union and is not averse to hinting that it has other powerful friends. But Nimairi will now try to follow an Arab nationalist policy similar to Egypt's and will resolve his differences with Moscow over the failed coup and the execution of the Communist leaders, according to observers here.

Sisco fails to bridge gap

BY OUR OWN CORRESPONDENT

TEL AVIV, August 5.

Mr. Joseph Sisco, U.S. Assistant Secretary of State, has been unable to bridge the gap separating the positions of Israel and Egypt over a partial settlement leading to the reopening of the Suez Canal.

Addressing a Press conference this evening, Mr. Sisco said that he expected no decisive breakthrough and that "none was achieved." He added, however, that while there were differences between the two sides still to be resolved, he believes that a practical basis for further progress on an interim Suez Canal agreement can still be achieved.

Mr. Sisco, who departs for Washington to-morrow added that such an interim settlement continues to be the best way to ensure that relative quiet will continue.

An authoritative Israeli source claimed here this evening that the failure of Mr. Sisco's mission to Israel centred around the problem of what kind of Egyptian presence should be allowed on the east bank afterwards. While Israel is ready to allow the crossing of Egyptian civilian police, President Sadat and his Government insist on a crossing by regular forces who would be entrusted with the protection of the technical teams working on the clearance of the Suez Canal.

Hassan expected to drop Oufkir

BY OUR OWN CORRESPONDENT

RABAT, August 5.

JUST 25 days after a military coup failed to unseat him, King Hassan announced last night he had sacked Premier Ahmed Laraki and the whole Government to make way for a new team which will be given the job of sweeping the royal regime clean of corruption.

The programme the King outlined rather sketchily appears to coincide with the principal objectives of the two main political parties, the old guard Istiqlal Party and the socialist Union Nationale des Forces Populaires (UNFP), who have been out of office and in opposition for years. This led observers to believe they would accept an invitation to join the new government's, and in fact M. Abderrahim Bouabid said the King's aims were their own and they were prepared to co-operate. What criteria will prevail in the King's choice of ministers are not known yet but party leaders say "the door is open."

The King said the new Government, to be appointed soon for a "transitional" term of office, would be required to carry out a programme of reform in education, administration, justice and the economy. Administrative and judicial reforms will be mainly designed to eliminate corrupters and the corrupted. In education the plan is to fit the nation's youth for useful employment instead of academic glory. In the economic field attention will centre on agriculture.

Ironically the King's reforms also appear to coincide with some of the main objectives generally attributed by political observers here to the leaders of the July 10 coup, who are reported to have been outraged by corruption and administrative inefficiency.

General Mohamed Oufkir, the Minister of the Interior, who was responsible for restoring order after the coup, is now widely rumoured to be in disgrace. His fate is unknown, but it is thought unlikely that General Oufkir will return to Government.

China backs Yahya Khan

BY OUR OWN CORRESPONDENT

KARACHI, August 5.

CHINESE Premier Chou En-lai has sent a letter to President Yahya Khan assuring the full support of his country to Pakistan in the case of aggression by India, according to reports published here quoting diplomatic sources. Mr. Chou expressed satisfaction over the growing friendship between the two countries

'100,000 killed'

The Pakistan Government claims to-day that more than 100,000 people were killed in a "reign of terror" unleashed by the Awami League from March 1 to 25—the period immediately before the Army intervened in East Pakistan.

In a 125-page White Paper the Government publishes its account of the East Pakistan crisis, claiming that it intervened only hours before a planned uprising by the Awami League to take over the province.

The Government claims that the non-Bengali population was subjected to atrocities from the Awami League cadres and rebels from Bengali regiments of the Pakistan Army in areas under their temporary control. All this was done with the connivance and assistance of India, according to the White Paper.

Our New Delhi Correspondent writes: Reports persisted in New Delhi to-day that India would formally recognise a separate nation of "Bangla Desh" within the next fortnight.

The government sought authorisation from Parliament to-day for additional expenditure of Rs. 2,000m. on refugees from East Bengal during the current financial year. Rs. 500m. of this sum has been received in form of external assistance.

BURMA'S RULING PARTY

"Popular" by decree

BY A SPECIAL CORRESPONDENT

WITH congratulations from the Soviet Communist Party and "fraternal" parties all over the world, the nine-year-old Burma Socialist Programme Party has just held its first Congress. Months of sloganeering and an interminable display of organised mass enthusiasm preceded this event and, now that it is over, another spell of ritual celebration has begun. The state-owned press and radio carry daily reports of people who have dredged silted canals, repaired bridges or donated blood to hospitals—all in order to express their elation over what took place at the Congress. These manifestations of mass excitement are the more remarkable in that there is actually precious little for the man in the street to be elated about.

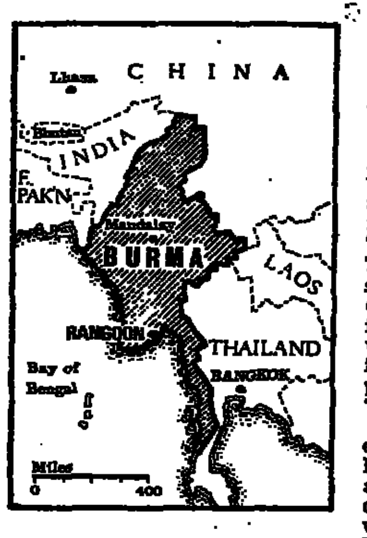
Insurgents

The truth is that, Congress or no Congress, Burma is passing through an unusually difficult phase: indeed this is indirectly demonstrated by the political report presented to the Congress by Brigadier San Yu, Secretary of the BSPP Central Organising Committee. Before the "Socialist Revolution" of 1962, the report says, there were only two opposing forces on the Burmese political scene, the Rightist forces in power and the underground and above-ground Leftist forces fighting for power. Since the revolution the contending forces have increased to three: the forces of the "Burmese way to socialism" led by General Ne Win's Revolutionary Council; the Rightist forces (now ousted from power), and the still struggling Leftist underground.

The report gives an assurance that the Government's "Rightist" and "Leftist" enemies no longer offer a serious threat, claiming that the rebel forces are not only being "mauled" by Government troops, but also "disintegrating as a result of internal feuds." Information about insurgent activity suggests, however, that the rebels are still active and constitute a serious security problem, particularly in rural areas.

In the economic field, Burma's predicament is dismal. The report itself makes no attempt to mince matters on this question. It admits that prices are rising "almost daily" because of falling production and other factors. Rice exports (which provide Burma's principal source of foreign exchange) have fallen from 1.1m. tons in 1966-67 to only 400,000 tons in 1970-71. Imports have had to be cut because there is less money to spend abroad and shortages have been made still more acute by the inefficiency of the ubiquitous state trading concerns. All these developments, the report admits, have led to a steady worsening of living standards (and to a flourishing black market); yet they are being overshadowed, at least in the columns of the official press, by the Party Congress and what is billed as its most important achievement—the conversion of the BSPP to a "People's Party."

The Government has spared no efforts for several months in attempting to convince its supporters of the importance of this "conversion." Party activists have been persistently drumming in the idea that the emergence of a "People's Party" represents a "turning point" in Burma's history, for the simple reason that it will herald the return of political power to the people. On closer inspection what has happened is a little less simple, and a little less dramatic.



The emergence of a Peoples' Party means, according to BSPP theoreticians, the replacement, at all levels, of party cadres nominated by General Ne Win's Revolutionary Council with new leaders elected by party members through what is described as "inner-party democracy." This process has already been completed throughout the lower echelons of the party. The much advertised task of the Congress was to perform the final act of conversion, by electing party members to the top organs of the BSPP.

The Congress, attended by 825 delegates including General Ne Win and members of his then all-military Revolutionary Council, elected 150 members to the BSPP Central Committee, a democratic act whose significance appears slightly modified by the fact 120 were members of the Army. (The remaining 30 consist of former Communists, writers, teachers, lawyers and a few ex-politicians.) The Central Committee, in its turn elected 10 members (all but one military) to the Party Politbureau, with General Ne Win as Chairman and Brigadier San Yu as Secretary.

The process of "conversion" was completed by the election of members to such organs as the Party Inspection Committee, the Party Secretariat and the Party Control Committee. The whole operation was placed in an appropriate ideological context by General Ne Win who spoke at the opening session of "returning state power to its rightful owners." But in spite of General Ne Win's uplifting oratory the impression persists that ideology was not the main motive which impelled the General to take so much trouble in transforming the BSPP into a People's Party.

General Ne Win's other, and more important motive, appears to have been to give the BSPP a monopoly position within the framework of Burma's new "revolutionary" constitution. The constitution, admittedly, is still in preparation, but when it does appear it is expected to follow orthodox Leninist lines, which means that it will provide for the existence of a single political party to serve as the "vanguard of the people."

Up to now it might have been easy enough to dispute the BSPP's eligibility for this enviable role—there are, after all, other movements in Burma which enjoy popular support. From now on the party will at least be able to claim that it has the formal credentials for the job. By the same stroke General Ne Win will of course hope to gain added respectability for his regime in the eyes of Communist governments which have not always looked kindly on Burma's "indigenous socialism." One country whose reaction will be studied with special interest is China—to which General Ne Win is shortly to pay an official visit.

Legitimacy

Apart from its constitutional achievements, the Congress has served Ne Win well. It has helped him acquire a mantle of legitimacy for his 9-year-old revolutionary regime, for the first act of the new BSPP Central Committee was to pass a formal resolution setting up a Revolutionary Council with General Ne Win as chairman. Last but not least the Congress, by adopting what has become known as the BSPP directive on economic plans, has given the General a "People's Mandate" to press ahead with his socialist economic policies. The policies may not work—they have certainly not been noticeably successful in the past—but at least from now on they will be "popular."

Export News

Frozen fish and chips parties in Addis Ababa

FINANCIAL TIMES REPORTER

IN SPITE OF considerable climatic and transport difficulties, Unilever Export, together with local agents, has managed to pioneer a successful new market for frozen foods in the Ethiopian capital, Addis Ababa.

To enable consumers for the first time to buy branded frozen foods in the 8,500-foot high city, a refrigerated van service has been introduced, covering 520 miles of dusty, twisting roads from the coast—where temperatures top 100 degrees F. Also, a refrigeration store was built in Addis. As a result, a complete range of Birds Eye and Walls frozen foods is now available to a "cosmopolitan population previously limited to buying mainly locally produced food," as Unilever puts it. And "shipments have trebled since the launch of the foods last November."

The consignments from Birds Eye and Walls factories are shipped on a two-month refrigerated voyage to the Red Sea port of Assab. From there the overland journey involves a fleet of three refrigerated vans, each with a crew of three, on a three-day drive across desert and mountain to Addis. The crossing of a salt flat desert takes place by night to avoid the worst of the scorching sun and temperatures as high as 130 degrees. On arrival the food goes into the 4,500 cubic foot cold store before distribution through local agents, A. Besse and Co. (Ethiopia), to all the principal retail outlets, who had to be persuaded to buy freeze cabinets before the service could start.

In addition to the domestic demand, a new catering food service for the hotels and restaurants "has created valuable orders for such items as smoked salmon, potted shrimps and, for the British community, kippers. Customers for frozen cream sponge cakes are to be found in the Emperor's household. There is a special interest in frozen fish lines, as otherwise the local lake fish, augmented by often unappetising sea fish brought from the coast, is all that is available," says Unilever.

Addis, with a native population of over 600,000, has also become home to 20,000 expatriates and families — mostly Italians, Greeks, British and Americans engaged in commerce, education or as members of diplomatic missions. "It is these who form the majority of present customers, with Ethiopians and other Africans who have lived in Europe or America, as the nucleus of shoppers for frozen foods amongst the indigenous population."

One of the social vogues started by the British since supplies began arriving is the fish and chip party. Unilever Export men living in Addis report that it is fashionable for guests to be served their helpings in old copies of English newspapers. And outlets for branded ice cream, which "is something new to the Ethiopian scene," are now being developed among local people with the aid of specially imported consumer sales vehicle.

In brief:

Blades

Persona International (U.K.) has made a barter deal with Czechoslovakia, involving between 3m. and 5m. razor blades —against Czech machine tools. Personna (part of the Philip Morris Organisation, and claiming to be third in the U.K. razor blade market) refused to disclose the value of the deal. It says, however, that it has had contracts from Bulgaria, Roumania and Yugoslavia already.

Heating

Sealed Motor Construction, of Bridgwater, Somerset, makers of central heating circulators, has formed a sales company in Hamburg, West Germany.

Incinerator

John Thurley, of Harrogate, has supplied a chemical waste incineration system to a chemical works in Schwedt, East Germany, worth £26,120 and claimed to be the first of its kind purchased by an Eastern European country.

Ploughs

SKS, of Whitchurch—a member of the Owen Organisation—has received orders in excess of £10,000 from Nigeria for disc ploughs, disc harrows, fertiliser distributors and trailers.

Bodies

Bulkmobile, of Sudbury, has signed a contract, worth over £33,000, to supply 14 vehicle bodies and equipment in pkd condition for assembly in Czechoslovakia.

Wheels

The aviation division of Dunlop, Coventry, has received an order from Aeronautica Macchi, of Varese, Italy, for prototype wheels and brakes for the Aeromacchi MB326K single seater strike aircraft which is being developed from the successful trainer version.

Rights

Gower Press has sold the sole distribution rights to the U.S. and Canada edition of Who's Who in Finance to R. R. Bowker, of New York. This will be the first published source of biographical reference to the British financial community as a whole. Publication will be in January, 1972. The work will be published in the U.S. as Who's Who in British Finance. Large sales are confidently predicted. Special distribution arrangements for other countries, with close trading and financial links with Britain are being finalised.

Pottery

Wood and Sons, the Stoke-on-Trent pottery manufacturer, has won an order from Japan worth £55,000.

The order, is for complete ranges of dinner, tea and coffee ware in two patterns.

Sales to Korea...

By Our Own Correspondent

SEOUL, August 5.

THE SOUTH KOREAN Government yesterday approved the purchase of ultra high voltage power transmission and substation equipment worth $15.9m., on 12½ years credit for the Korea Electric Company from the U.K.

According to Korea Electric, Balfour Beatty of London is to supply cables and tower materials and English Electric will supply substation equipment.

Credits are repayable over 9½ years after a grace period of three years, with the credits bearing an annual interest of 5.5 per cent. The construction work is planned to start in 1973.

.. and to Singapore

British exports to Singapore totalled S$267.4m. during the first five months of this year, which was 24 per cent. higher than for the same period last year.

Despite this jump, British imports constituted 7.6 per cent. of all imports into Singapore, equivalent to the average last year.

£1.5m. contract for Dunlop

A CONTRACT WORTH ABOUT £1.5m. for the supply of floating oil hose for the tanker terminals of the proposed Sumed oil pipeline from the Gulf of Suez to the Mediterranean has been won by the oil and marine division of the hose group of Dunlop. The contract is part of a total scheme—worth about £117m.—put forward by an international consortium.

The Sumed scheme involves a pipeline some 200 miles long from Ain-Sokna to a point on the Mediterranean coast about 18 miles west of Alexandria. Supertankers of 300,000 tons will discharge, via Dunlop "Selflote" integral floating hose, into a tank farm at the southern end of the pipeline, and the oil will then be pumped through the line to the northern terminal for reloading into smaller tankers for shipment to northern Mediterranean and other European ports.

Dunlop "selflote" integral floating hose is made at Grimsby in 40 feet lengths with internal diameters of up to 30 inches. It is already in use with major oil companies throughout the world but, with a potential throughput of 80m. tons a year, the Sumed floating hose installation will be the largest of its kind in the world.

Leipzig Fair

BRITISH COMPANIES in chemicals, tobacco, toys, musical instruments and other fields will show their products at the "biggest-ever" Leipzig Autumn Fair (September 5 to 12). Foreign participation is expected to be 10 per cent. up on last year, with some 55 countries represented.

Newcomers to the Fair from U.K. will include Eaton Yale and Towne, of Manchester (vehicle gearboxes) and G. D. Searle, of High Wycombe, with a selection of medical and laboratory equipment.

Japan's space, meanwhile, will be roughly five times greater than last September, half of it being devoted to chemical plant. The combines Mitsubishi, Mitsui, Sumitomo, Nichimen, Nissho Iwai, Teijin, Marubeni and Itoh will again be there, and Honda vehicles will be making their debut in the German Democratic Republic.

Bass Charrington has opened its eighth pub in Switzerland this year when the British Ambassador, Mr. E. A. Midgely pulled the "first pint" at the Mr. Pickwick, in Berne. There are other Mr. Pickwick pubs in Bienne, Geneva, Lausanne, Lucerne, Neuchatel and Zürich.

SPORT: CRICKET ... YACHTING

England struggle on easy wicket

BY TREVOR BAILEY

OLD TRAFFORD, August 5.

ON THE FIRST day of the second Test, England struggled to an unimpressive 219—7, though a smaller total seemed probable at one time. With the aid of further showers during the match, to liven up the pitch, this could be sufficient, especially if the tail continues to wag tomorrow. But it cannot be said to represent a good score on this easy-paced wicket.

Having won the toss on a slightly green pitch with a somewhat overcast sky, Illingworth thought long and hard about putting the tourists in before eventually electing to bat. Although the English pace men would have troubled the Indian batsmen, the England captain probably believed that the limited Indian opening attack was unlikely to worry his batsmen even if the conditions suited seam.

The way Luckhurst and newcomer Jameson negotiated the early overs certainly upheld this view. Neither looked in any trouble against Abid Ali who, at medium fast pace, was able to swing the ball early and gently away, or the even slower left-armer, Solkar. There was, in fact, an air of unreality at this stage and I was beginning to wonder when the spinners, the real strength of this Indian side, were coming on when Abid Ali claimed his first victim. Jameson, who had been batting pleasantly, receive a tempting long hop outside the off stump and hit it hard off the back foot straight into the hands of a grateful cover for 15.

In the same over and the same score, Abid Ali had Edrich caught behind. This totally unexpected double success inspired the bowler to even greater efforts. Fletcher managed to get off the mark, but was then out lbw attempting to hit a half-volley off his back foot wide of mid-on—not the most judicious of strokes. England would have been in worse trouble, if Luckhurst had not been dropped at leg slip one run later.

The Kent opener and the dependable D'Oliveira set about staging a recovery which ended when the latter was caught driving at a wide outswinger and four wickets were down with only 41 on the board.

All credit to Abid Ali, who at lunch had the remarkable figures of 14 overs, four maidens, 19 runs, four wickets. But truth to tell this was due more to some indifferent batting than to great bowling.

England 219—7 (Luckhurst 78)

After the interval Luckhurst and Knott sensibly set about repairing the pre-lunch disasters. They began slowly, but gradually increased their tempo as Wadekar experimented with various combinations of his four principal bowlers without achieving the desired result until the Kent pair had put on 75 invaluable runs. When Knott reached 42 he was bowled through the gate by Venkataraghavan.

Illingworth started quietly while Luckhurst who completed his half century, was playing with increasing confidence.

They were still together at tea and England at 161—5 were beginning to look as if they might reach a respectable total.

In the truncated last session England lost two more wickets before the rain came. Luckhurst who seemed destined for a century, went down the pitch and hit Bedi for four but, trying a repeat performance, was deceived in the flight and caught in the covers for 78. Hutton played several handsome shots before he was caught and bowled from a firm-footed drive, with the total 187—7.

Illingworth, with some assistance from Lever, took the score past 200 before at 5.35 rain fell and play was held up until 6.1[illegible]. At this stage the England captain was 25 not out and had once again demonstrated his fighting qualities in a time of crisis.

Quailo III wins N.Y.Y.C. Challenge Cup

BY ALEC BEILBY

COWES, August 5.

DONALD PARR'S Quailo III won the New York Yacht Club Challenge Cup at Cowes yesterday by a mere 29 seconds on handicap from the Australian Admiral's Cup team yacht Ragamuffin. But, as so often happens in inshore handicap races, it was the boat-for-boat struggle that caused more interest and excitement than the actual handicap result, calculated when the race is over. Less than three minutes separated the first six yachts.

For the second successive day, the wind, blowing a near gale force from the west, provided the sort of racing notable by its absence from so much of this season. Gear and crews were tested to their limit . . . some even further.

The head of the fleet, Mr. Ted Turner's American Eagle, led the way westwards from Cowes with Mr. Alan Bond's Apollo, representing Western Australia, taking up the chase. With Sir Max Aitken's Crusade a minute astern, the familiar picture at the head of the Class 1 fleet of this year's Cowes Week was soon emerging.

A minute separated these three as they turned back towards Cowes and it was on the long run that the first troubles arose. One of the vast spinnaker poles aboard Crusade broke and she retired. Apollo closed the gap with The Bird, as American Eagle is known, and during the final run a battle of tactics, crew stamina, strength of sails and equipment aboard these two yachts began.

The lead changed nine times, Apollo losing ground when she lost three headsails and a spinnaker and regaining it when American Eagle, in her turn, slowed when replacing torn headsails twice. At the finish Apollo led American Eagle over the line by 24 seconds, an excitingly small margin after four hours of racing over 33 miles in tough conditions.

Back in the fleet, Quailo, which is reserve yacht for the British Admiral's Cup team was duelling with Mr. Ron Amey's Noryema and though she suffered no breakages, her crew were sailing without reefing gear so she was committed to carry the amount of mainsail her crew had selected when the sail was hoisted before the race.

At one stage Mr. Parr thought he had rolled the sail down too far but his fears proved unjustified, even if only by seconds. Her victory was a shared success for her owner and designer, Mr. Peter Nicholson, who was aboard for the race. It was also another point in Quailo's favour for those who have felt that she might have been in the Admiral's Cup team rather than the reserve.

The only British Admiral's Cup yacht racing, Mr. Arthur Slater's Prospect of Whitby looked certain to add the New York Yacht Club Challenge Cup to the Britannia Cup she won on Tuesday when her reefing gear went wild and a sail handle caught the full force of the reefing handle on his head. The yacht retired from the race.

It was a wild day with a succession of torn sails and broken equipment being brought ashore to Cowes where sailmakers and riggers are working round the clock to ensure all is ready for the Fastnet race in which 2[illegible] yachts, a record entry, set out on the Grand National of the world's offshore racing circuit to round the Fastnet Rock, off the south west coast of Ireland, and the race back to the finish at Plymouth, a distance of 650 miles.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

HEATING

Programmes oil and gas burners

7 per cent. increase in gas so far this year and a predicted doubling of consumption over the next five years are factors very likely to have prompted Honeywell's residential division, of Charles Square, Bracknell, Berks., to enter the burner programming market, which, they say, is now approaching "eight figures" sterling across Europe.

Building on their experience in the North American market, the company has introduced its first product in this field in Europe, the R4341 programmer intended for oil, gas or combination burners of up to 10m. Btu/hr capacity.

Units have been designed, at the moment, for the U.K., German and Dutch markets and German DIN approval has already been given for the device.

The R4341 provides automatic sequencing control of burner motor, pilot valve, ignition and main fuel valve in burner systems using gas, oil or dual fuel. A motor-driven cam timer gives the following periods: pre-ignition, pilot stabilisation, main flame trail, main flame stabilisation, release to modulation and post-purge.

A small coloured-sector dial rotates to indicate the point reached in the sequence, which takes 75 seconds altogether.

The sequencer has a plug-in amplifier facility claimed to be unique in this type of equipment to enable it to operate from ultra-violet, flame rectification or cadmium sulphide detectors. Honeywell claim particularly high UV sensitivity when used in conjunction with their C7027 ultra-violet sensor.

Honeywell says that it is now heavily committed to this field of activity and has in a state of advanced development flame switches, self-checking safety switches and add-on converters for control valves.

Only recently, says the company, has the market become big enough for it to make a viable entry. Even now, it believes that only those companies capable of offering an effective Europe-wide service are likely to succeed. To date, standards and requirements have been a problem and vary considerably from one European country to another. But this situation, says the company, is likely to improve over the next year or so.

Comfort balance controller

COMFORT BALANCE seems to be the latest term to describe the more complex aspects of domestic heating controllers. **Drayton Controls**, of West Drayton, Middlesex, is now selling the Theta Autotherm, which incorporates an outside temperature sensor, a time clock, and an eight programme push button control panel, plus two "comfort balance" adjusters.

The maker states that by using these adjusters the user can "tune" his heating system to his own comfort requirements and to the particular structure and construction of his home.

Claimed advantages for the installing heating engineer are that the controller can be used with most heating systems providing hot water and central heating, and that the "comfort balance" device virtually eliminates non-profitable post installation calls because the customer makes his own adjustments. Net trade price is £43.56.

Radiant heating saves fuel

OPERATING costs of a new gas-fired radiant heating system, developed by **Phoenix Burners**, with a claimed efficiency of 92 per cent., are said to be 40 to 50 per cent. below conventional heating systems.

The Phoenix Slimline system, as it is called, is suitable for offices, schools and showrooms, where overhead gas burners, each with an input of 40,000 btu/hr, are connected at 20-30 feet centres, to standard 2½ inch steel pipe attached to the ceiling.

Metal reflectors direct the infra-red rays down on to the area to be heated. These reflectors can be either two feet wide for recessing into the ceiling or one foot wide for installing below ceiling level. In both cases decorative aluminium grilles cover the pipe system.

This method of heating is compatible with air-conditioning as it heats objects and not the air between them. There is no need for a chimney, the company maintains, as the high efficiency allows for satisfactory and harmless self-ventilation.

The system, an adaptation of the Nor-Ray-Vac system used extensively in heating industrial buildings, is approved by the Gas Council. Complete installation costs are around 30p per square foot. Phoenix Burners is at 2, Valentine Place, London SE1 8QH.

Economic combustion unit

OFFERED for the first time in the U.K. is the high intensity SAS combustion unit manufactured by Socaltra, Paris. The combustor is available in capacities from 2,000 to 80,000,000 b.t.u./hour, ranging in price from £1,500 to £10,000.

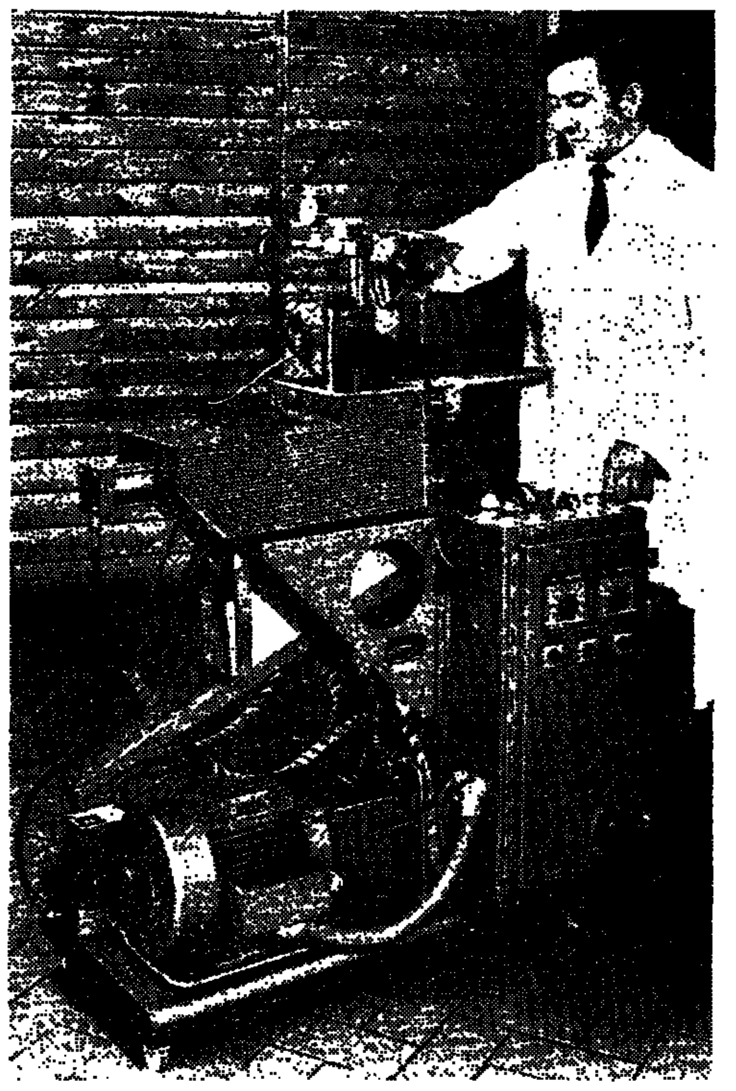
Widely installed in Europe in all types of furnaces, incinerators, kilns, boilers, etc., it is claimed that major economies in capital and operating expenditure can be achieved. The maker states that the combustor will pay for its installation costs within 24 months of operation.

It is stated that the burner's success is based on six principles: high flame speed (up to 600 feet/second); noiseless stable flame; high quality fuel/air mixture; total combustion; operational safety; operable under any permutation of application, environment, or fuel.

Used as an incinerator the combustor reduces pollution problems as it can disperse almost any toxic waste liquids of low calorific value in a liquid/fuel ratio of more than 4 to 1.

U.K. agents are **Européenne Development and Construction Co.**, Victoria Street, London, SW1.

PLASTICS



This is the latest addition to the range of moulding machinery made for the plastics and electronics industries by Daniels Hamilton of Bath Road, Stroud, Gloucestershire. Called the Unasetter, it is a rapid-cycling plunger transfer machine for producing miniature thermostat plastic mouldings to close tolerances. The machine gives shot capacities up to 3 grams for phenolic, urea, melamine and other plastics and up to 6 grams for epoxy and alkyd materials. Provision is made for the inclusion of metal inserts if required.

Quieter plastics grinder

GRANULATORS for the plastics industry which are claimed to reduce the noise level of this sort of process on most materials to below 85 decibels have been introduced here by **Denis Leader**, of Dover, Kent, the exclusive U.K. agent for AB Johanssons Chuckfabric, of Sweden.

Three of the more powerful of the four units are equipped with four rotor blades instead of two to provide greater cutting efficiency.

Processing rates of up to 1,100 lb per hour are claimed, depending on the material and size of machine. Engine power ranges from 2 to 15 hp and eight different screens are available to give granule sizes from 2 to 25 mm.

The quieter operation is due to the fact that the cutting blades are mounted at a special angle to the axle of the rotor shaft, eliminating the hammering noise associated with conventional grinders.

Noise absorbing sheet metal laminate is used for the hoppers, which are further sound-proofed. When placed next to injection moulding machines, these units can replace more expensive methods of plastic waste recovery involving bins and fork-lift trucks or conveyor systems.

PACKAGING

Outlook for next year promising

PROJECTED figures for 1971 for the packaging industry reflect the state of U.K. production generally. Compared with 1970, levels of performance will probably prove to be worse rather than better, although the last quarter may show an upturn because of the reflationary measures of mid-July.

Demand for jute sacks, wooden containers, paper bags, sacks and carrier bags will continue to fall. Tinplate should show a recovery while demand for steel drums, cellulose film, aluminium foil and paperboard boxes an cartons will probably be fairly static.

Production of plastic materials, aerosols, glass containers, fibreboard packing cases and closures can be expected to show an increase compared with 1970, which may be of the order of 15 per cent., 14 per cent., 2½ per cent., 3-4 per cent. and 4 per cent. respectively.

Prices can be expected to continue to rise though possibly not to the extent experienced in 1970. The outlook for 1972 is more promising, and the bulk of the packaging industry should resume its upward trend.

These figures are taken from the second "Statistical Review of the Packaging Industry," which will be available from **Pira**, Randalls Road, Leatherhead, Surrey, at the end of this month, price £25 non-members (£5 members).

PRODUCTS

Measuring projector

A MEASURING projector, suitable for checking and measuring small and medium-sized components in workshops, inspection rooms and laboratories, has been launched in the U.K. by **Carl Zeiss Jena**.

Called the MP 320, it conveys maximum information in a very short time, says Zeiss, with components projected at an enlarged scale and measured contact-free. A feature of the projector is its double-image facility, which can be used with all magnifications with or without red and green filters.

The projector can use horizontal or vertical silhouette or surface illumination as well as combinations of them. High-intensity quartz iodine projection lamps give excellent brightness, says the company, which can be improved near the edge of the screen by placing a Fresnel lens on top. In addition to the method of comparison with master layouts, the MP 320 permits measurements with a cross stage or with a glass scale applied to the screen, or both. Angle measurements are possible by attaching a circular stage and a rotating screen.

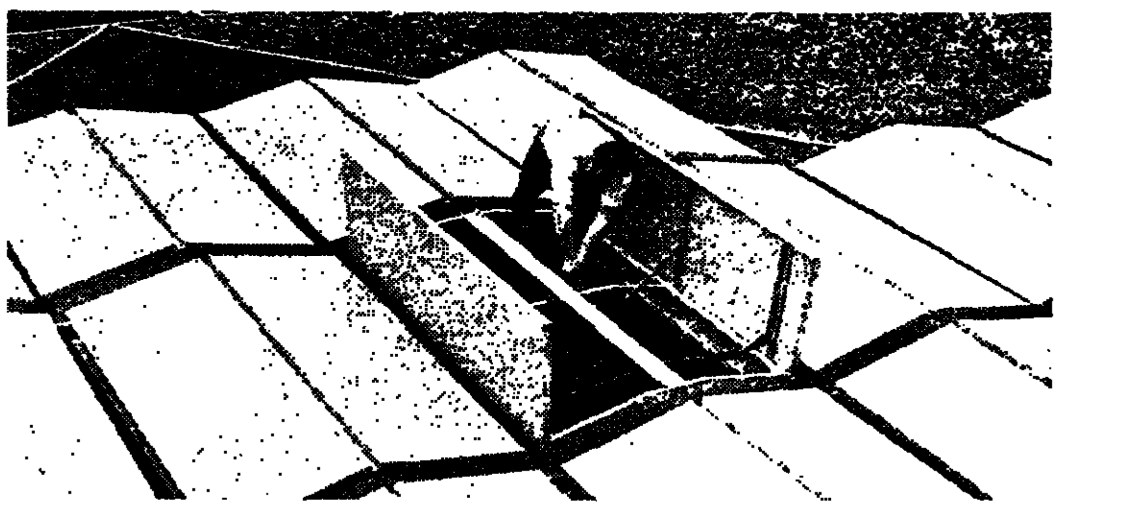
Zeiss claims that image distortion is negligible, with measurement inaccuracy between 0.01 and 0.001 mm, depending on the workpiece and the magnification selected. The possible magnifications are 10x, 20x, 50x and 100x, the objectives being arranged two each on a common nosepiece.

Small tantalum capacitors

A RANGE of miniature polarised solid anode tantalum capacitors designed for use in professional electronic equipment having hybrid or sub-miniature assemblies has been announced by **Emihus Microcomponents**, of 12, Queens Road, Weybridge, Surrey.

The company says that the low cost and small physical size makes these capacitors ideal for assembly on to thin or thick film substrates and as a component in equipment where miniaturisation is essential.

Known as the "Micro-Tan" range, capacitance values are from 0.0047-68 microfarads with working voltages from 2 to 35, and these devices have a polar element housed in a cylindrical metal case with a resin seal at one end. The case is fitted with a polyester insulating sleeve. Leads are tinned nickel 0.02 inches diameter. The temperature ratings are −55 degrees to +85 degrees.



These automatic heat and smoke release ventilator units, part of a contract worth nearly £140,000, are being prepared for delivery to Bass Charrington's new brewery at Runcorn, Lancs. The ventilators, designed by H. H. Robertson (U.K.) of Ellesmere Port, have fuseable links which react automatically when the internal temperature in the building reaches 155 F. Robertson is supplying 236 ventilators for the project, each 7 feet long by 4 feet 9 inches wide and made of Galbestos sheet steel.

METALWORKING

Welding machine control

VIBRATIONAL amplitude at the working face of the welding horn, giving a direct measure of the efficiency of the system, is metered on the control panel of the 600 Sonobond ultrasonic welding machine from **Kerry Ultrasonic**, Hitchin, Herts. Believed to be a unique feature, the amplitude meter permits the selection of optimum operating conditions, the maker states.

In the intermediate power range (600 watts, nominal frequency 20 kHz), the machine can be bench or floor mounted and will weld a range of similar and dissimilar metals, including 0.030 inch aluminium alloy, 0.040 inch commercially pure aluminium, 0.030 inch copper, 0.015 inch stainless steel and 0.050 inch aluminium wire. Other metals which can be successfully welded include platinum, titanium, niobium, magnesium, gold and nickel.

The equipment is controlled by solid state circuitry, which has reduced its bulk compared with conventional machines. The ultrasonic transducer is of clamped lead-zirconatitanate with a potential electro-acoustic transfer efficiency of 90 per cent.

The unit incorporates an adjustable force pneumatic clamping system, and the weld head provides an adjustable stroke. The anvil support is vertically and horizontally adjustable. Welding tips are interchangeable and a variety of geometries is available. Weld recovery time is stated to be virtually zero.

Typical applications for the equipment include rolled foil capacitors; cathode-anode tabs to foil, wire to wire and wire to lugs in small transformer coils; small bi-metal contacts; lamp filaments and small area lap weld combinations.

Another way to make carton dies

CARTON diemaking was traditionally carried out by highly skilled craftsmen who, for multi-station dies, first drew the carton cuts and folds up to 50 times on a sheet of plywood and then followed the lines with a fine jigsaw. This was recently superseded by an optical line follower working from a single master pattern and guiding a laser cutting device.

Arden Dies, of Cross Lane, Marple, Cheshire, has adopted a different approach—one image only is produced as a metal template, by milling a series of slots in the metal to correspond with the position of the cutting and creasing rules.

It is claimed that the milling machine, either hand-operated or N/C controlled, is accurate to 0.001 inch across critical panel sizes. The template is used to control a 48,000 r.p.m. die router which cuts the die stations in an integral skin foamed rigid polyurethane base board into which the cutting rules are fitted.

Welding in Russia

RECENTLY published figures state that in the USSR the use of welding in construction work is saving more than 600,000 tonnes of metal and 75m. roubles each year. In the penultimate year of the five-year period recently ended the output of welded fabrications in Russia rose to 47.8m. tonnes, 74.4 per cent. in industry and 25.6 per cent. in building.

PROCESSES

Waterless paper-making

THERE are signs in a number of quarters of concern about the amount of water used in the paper making industries and the effect upon the environment.

This week a booklet has been issued by the British Paper and Board Makers' Association indicating what the industry is already doing in the U.K. to reduce the amount of water used—recycling for instance—and the efforts are being made to produce cleaner effluents. The Association points out of course, that all this has to be paid for, somehow.

At the same time, however, from the U.S. comes news that paper manufacturers over there are taking a closer look at processes that do not use any water at all.

In view of the fact that 100 to 200 tons of water are used for the production of every ton of finished paper, with effluent, such "dry" processes could prove to be attractive.

According to the Arthur D. Little organisation, considerable capital cost reduction would also result from the use of these processes, which use air instead of water to carry the fibres on to the mesh screens on which the paper is formed. The "furnish" (wood pulp in a roll or bale, reclaimed paper stock, or synthetic fibres—is disintegrated and suspended in an airstream. The fibre clumps are broken up by mechanical action or are removed so that only individual fibres move to the forming areas.

The air moves through a continuous porous screen, depositing fibres in a layer. For most aplications it is necessary to add bonding agents, either to the fibres prior to forming, or to the formed web of paper.

Paper quality is good according to the American research organisation. Good fibre uniformity is produced, a much higher percentage of short fibres or filler particles can be handled compared to conventional processes, and the absence of water also means a softer paper that may be more acceptable in some applications.

It also turns out that the economic size for dry-formed paper making units is considerably smaller than for comparable wet forming equipment. Furthermore, plants would not have to be sited in areas where large amounts of water are available.

Dry forming also opens up the prospect of greater utilization of secondary fibre. Conventional paper mills integrated with wood pulp manufacture are often distant from major sources of recovered fibre, and it is seldom economic to collect enough waste paper to supply the needs of a large wet-forming mill. With dry forming units placed elsewhere however, the position might be quite different.

A number of technical problems have yet to be resolved with dry forming. In particular, methods are needed for the recovery and de-inking of the fibres from waste paper.

Bonding of suit linings

FOR YEARS interlinings of men's suitings have been applied to the component parts by bonding with synthetic adhesives. This required the use of heat and pressure in order for the layers to adhere properly.

A joint development by Intertherm and Montague Burton has resulted in a novel technique for bonding which is based on a heated platen process for which the glue line temperatures are achieved by the thermal transmission of the fabric.

By the use of dielectric heating methods this adhesive layer can be heated regardless of the thickness of the laminate with the result that the time necessary is much reduced.

The pre-cut pieces of material are placed on a conveyor which carried them over the special electrode system. As the laminate moves into the radio frequency field the adhesive begins to absorb the RF energy and melt.

At this point the laminate moves between nip rollers to complete the heat and pressure cycle. Operating speeds of up to 240 garments of normal size per hour are possible on each side of the twin conveyor.

Advantages of the system include improved operational environment because of the comparative absence of heat and better retention of the cloth's natural characteristics, with a reduction of glossing and impressions in the fabric.

The unit is designed for all materials in general use and offers the additional benefit of needing no heat-up time. It has been designed around two 6kW H.F. generators and is said to use less power than conventional systems.

Intertherm, a member of the Elphiac Group, is at Blenheim Gardens, Brixton, London, S.W.2.

Ultrasonic cleaning plant

COMPACT ultrasonic cleaning equipment developed jointly by **ICI and Dawe Instruments**, can deal with many of the problems encountered in industry, ranging from lenses to assembled printed circuits.

One of the perennial problems in cleaning of any sort is matching the machine to the cleaning medium, whether it be a simple soap solution or a comprehensive organic solvent. In this case, according to the companies concerned, the design of the equipment, taking into account the characteristics of the solvents which will be used with it, gives the range of application needed with a system that must be sold commercially.

The machine is known as the Ultrasonic Cleanline 53, and has been designed to use ICI's range of P, L and E Type Arklone solvents.

The machine uses a 40kHz Dawe unit as the cleaning generator. Parts are immersed in the cool chemical tank containing the agitated solvent, and are then transferred to a second tank where they are rinsed in the solvent vapour. Thus they emerge both clean and dry.

The Arklone solvents that are to be used are known for their ability to remove many different types of contaminant, and the capacity of the combination is increased for the user by the provision of a distillation unit that ensures the solvent always remains clean.

● *By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

DATA PROCESSING

Catering for small users is worthwhile

SALES of small computers will depend largely on the ability of companies, both large and small, to appreciate the economic advantages of either replacing an accounting machine or, at the upper end of the scale, having a highly intelligent front end to a substantial mainframe.

This is the opinion of Mr. Leo McAteer, manager of the Automated Business Systems Division of Litton, speaking to the Financial Times yesterday on the expansion of the market for small computers. Many people have seen the expansion of time-sharing systems as a threat to small machines but the evidence, according to Mr. McAteer, points to a dual market—in the small companies which need a good, inexpensive management information system and among those who see the intelligent terminal, in fact a small computer linked to a central mainframe, as a necessary facility for individual departments.

Like all companies in the field, Litton hopes to make major sales in both areas, but is concentrating largely on establishing a customer base at the moment. This implies service to smaller, first-time companies, although it has already established its machines as useful front ends in the banking and insurance worlds.

Litton is in the fortunate position of having a range of machines that have a storage capacity, on drum, beyond the general comparative size. This in itself is a major factor, but in addition it also gives the user the chance of expanding his applications from normal payroll and accounting applications into more advanced applications.

To this end, Litton has a number of packages in hand which will probably be released either late this year or early in 1972. These include programs for scientific applications as well as a production control package, developed in Switzerland, that is now being generalised and is aimed at the manufacturing unit with a work force of between 150 and 200 people.

These applications are in fact only additions to the normal software available, and Mr. McAteer emphasises that the majority of customers are adequately catered for by the standard programs.

Like most people in the industry, he tends to dismiss the sales forecasts thrown up so far, and believes that the only way to succeed in the field is to offer companies a service as simple or as complicated as they require.

ANDY McELROY

The Property Market

BY MICHAEL O'HALLORAN

Felnex to lose its top men

The first of what I recently predicted to be a series of important resignations were made this week. Felnex Central Properties—the principal development arm of Law Land—is to lose both Robin Brown, its managing director and the man who has built the company into a real force during the past 4½ years, and Laurence Permutt, the development manager. Although no announcement has been made, I understand that they will quite the company at the end of this month.

These moves will leave Felnex rather like a fish out of water, for it has always been a small, tight operation. Although nothing has been decided definitely, it looks as if the company might be absorbed into the main body of Law Land. But whether or not it can retain its effectiveness still remains to be seen. Recent coups under the Brown/Permutt regime include such notable deals as Hackbridge, and the existing development programme boasts such items as a 56,000 square feet office block in Southampton and 100,000 square feet in Leicester.

The two men are, of course, founding their own property organisation. On the surface, it looks fairly straightforward. The new company will have two main divisions, one concerned with development, and the other with project management. (Rumour says that agreement has already been reached for the first major management contract.) However, it is the undercurrent which interests me most of all.

First, it seems to be no dark secret that the talents of this team have attracted the attentions of a merchant bank which has a deep thirst for property situations. No prizes for guessing correctly here. Secondly—and really intriguing—are the whispers about a rapid injection into a public situation. Official lips are sealed tight so far as this subject is concerned, but I am willing to bet that negotiations will be concluded successfully before the end of the year.

Where will the next resignations come from? Well, go through the list and pick out all of the conservative companies where the leading young men are expected to work for glory and disdain money. To many of the old guard are courting disaster by failing to acknowledge the wisdom of the techniques now being used by Slater Walker and several others.

MEPC spend a further £1½m.

Still in a spending mood, Metropolitan Estate has paid just under £1½m. to London Investment and Mortgage for a mixed portfolio of ten properties. I presume that a key factor was the building "adjacent to existing holdings" in Mayfair—MEPC is certainly piecing together some interesting situations in that part of London. The relevance of an office/warehouse building at 13-17, Worship Street might also bear investigation in view of the company's stake in nearby Tabernacle Street. The portfolio also includes offices in Bournemouth, a factory in Brixton and a supermarket plus shops in Scunthorpe.

There are few excitements to be found in the latest list posted by the City of London planning office. Sovereign Securities might redevelop its small office block at 10a, Arthur Street, but the company is still contemplating the alternative of restoration. Stratton Estates—a name we seem to hear quite a lot these days—also figures in the list with a plan for 18-19, Long Lane.

Outside of London, one development worth noting is a 43,000 square feet block which Bovis Property Division is to build on a site adjacent to Eastleigh station, near Southampton. Although it is the first office deal of any size ever contemplated for Eastleigh—the speculative ODP was granted on planning grounds—lettings should not be a problem. What with Grendon's vast industrial estate, the interest of hypermarket operators, and the shortage of space in Southampton itself, Eastleigh is definitely a place to watch. The Bovis block is scheduled for completion in a year's time.

Guardian buys Sugg works

The 120,000 square feet William Sugg factory at Crawley—it is the first building you meet in the town's very successful industrial estate—has been bought by Guardian Property in conjunction with British Rail's pension fund. With a parking area for 200 cars, it is a prime property, and Guardian expects one tenant to pay more than 75p per square foot. Agents concerned are Wright and Partners, together with Lambourne and Foreman.

My congratulations to Jim Barrett and Tim Newman upon their appointment as Directors of Guardian's industrial subsidiary. They have been particularly successful in recent weeks, buying the Sugg building and also letting more space at Guardian's Luton estate, where only 35,000 sq. ft. remains to be let out of the original 200,000 sq. ft. (Agents: Clive Lewis and Partners together with Connells.) Much the same story can be told in Cardiff, where Allied Windows has just taken 20,000 sq. ft. at the former Powell Duffryn works and a 17,000 sq. ft. new unit is all that is left empty.

OUT AND ABOUT

Star (Great Britain) Holdings' argument with the Dublin Hebrew Congregation about rights of light—a dispute which has delayed the pre-letting of Stars' 25,800 sq. ft. block in Adelaide Road—has now been settled. In fact, Star has bought the Synagogue site which lies between the new offices and the Synagogue building itself, and it intends to build another air-conditioned block of about 18,000 sq. ft. Jones Lang Wootton will be joint letting agent with Finnegan Menton.

● "This firm in modest terms is without doubt one of the most respected and competent companies specialising in all spheres of professional agency practice in the country." So runs a letter to prospective clients from Marcus Leaver and Co. You should hear them when they feel like boasting!

● Rubbing salt into my wound, Jones Lang Wootton has just issued a general report about the Brussels office market which says that the agency expects to let over 1m. square feet this year, so beating the magical figure for the third successive year. Because many developers (and myself) are cautious thanks to bad memories of the late 1960's glut of empty accommodation, there could be a shortage of prime space within the next 18 months. JLW therefore predict that top rents will reach around £2.30 per square foot before very long. In short, Brussels is "wide open again" for U.K. developers.

● The Surrey-based Ashville Group purchased a new 21,000 square foot industrial development in Moxon Street, Barnet only a few weks ago, but it has already been let at nearly £16,000 per annum to M. S. Dart. Leonard Green and Co. were the agents. Other industrial news is that Wine Ways intends to auction its 70,000 square foot modern warehouse/office property at the Gladstone Road estate, Northampton. Unles sold privately—and there must be a good chance of this happening—Chamberlain and Willows will offer the building on October 28

● In Edinburgh, planning permission has been given for a 46,000 square foot office block in Grassmarket. The private developer hopes to start construction early next year and offer occupation at the end of 1973. Marcus Leaver and Co. are the sole agents.

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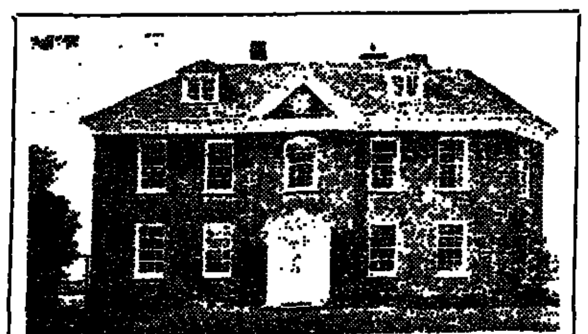

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هكذا من الأصل

The Executive's World

EDITED BY DAVID PALMER

Conference round-up

● *Opportunities in retailing.* Zurich, September 13-16. Organised by the Gottlieb Duttweiler Institute. The main theme will be the relative merits of down-town or out-of-town sites. Other topics include creative selling, and a visit to a Migros supermarket. Details: Harry Bohrer, 6 Museum Street, London, W.1.

● *Practical Forecasting—Tomorrow's Technology.* The Royal Military College of Science, Shrivenham, Wiltshire, September 21-22. Aimed at directors and general management and for long range planners in all sectors. Details: Society for Long Range Planning, 132, Terminal House, Grosvenor Gardens, London, S.W.1.

● *International Insurance Management in the Seventies.* Montreux, September 27-29. Organised by Management Centre Europe. Chairman Mr. P. H. Lichti, of De La Rue, London. Special attention to be paid to Britain's entry to the Common Market. Details: MCE, Avenue des Arts 4, B 1040 Bruxelles (Belgium).

● *Modern Management.* The last of a series of three residential courses in Oxford will be held on September 5-10. Aimed at established managers who are moving up to top jobs. The course is divided into production, man management, marketing, the computer, and management accounting. Cost £88 (members) £110 non members). Details: BIM Management House, Parker Street, London WC2B 5PT.

● *Financing the Company.* A course for directors and senior managers of small and medium size companies on how to raise capital and the best ways of arranging the company's financial mix. Numbers are restricted to 15 participants. Speakers include representatives from the National Westminster Bank, Midland Bank, PA Management Consultants. Details: Financial Techniques Limited, Bilbao House, New Broad Street, London EC2M 1PA.

Other courses from the same organisers include *Mergers and Acquisition in Action,* Sept. 18 in Bournemouth, Sept. 28 in London, and *Finance for Top Management* in Bournemouth Sept. 27-29 or in London the evenings of October 12-14-19-21-26-28.

● *Britain as a Business Partner.* A conference in Hamburg for German businessmen on Sept. 16. Chaired by Lord Caldecote, chairman of the Export Council for Europe. Jointly sponsored by the Financial Times and the BNEC. Details: Mr. Elliott Johnson FT, 6 Frankfurt am Main, Im Sachsenlager 13, or Financial Times Conference Department, 388 The Strand, London WC2R 0LT.

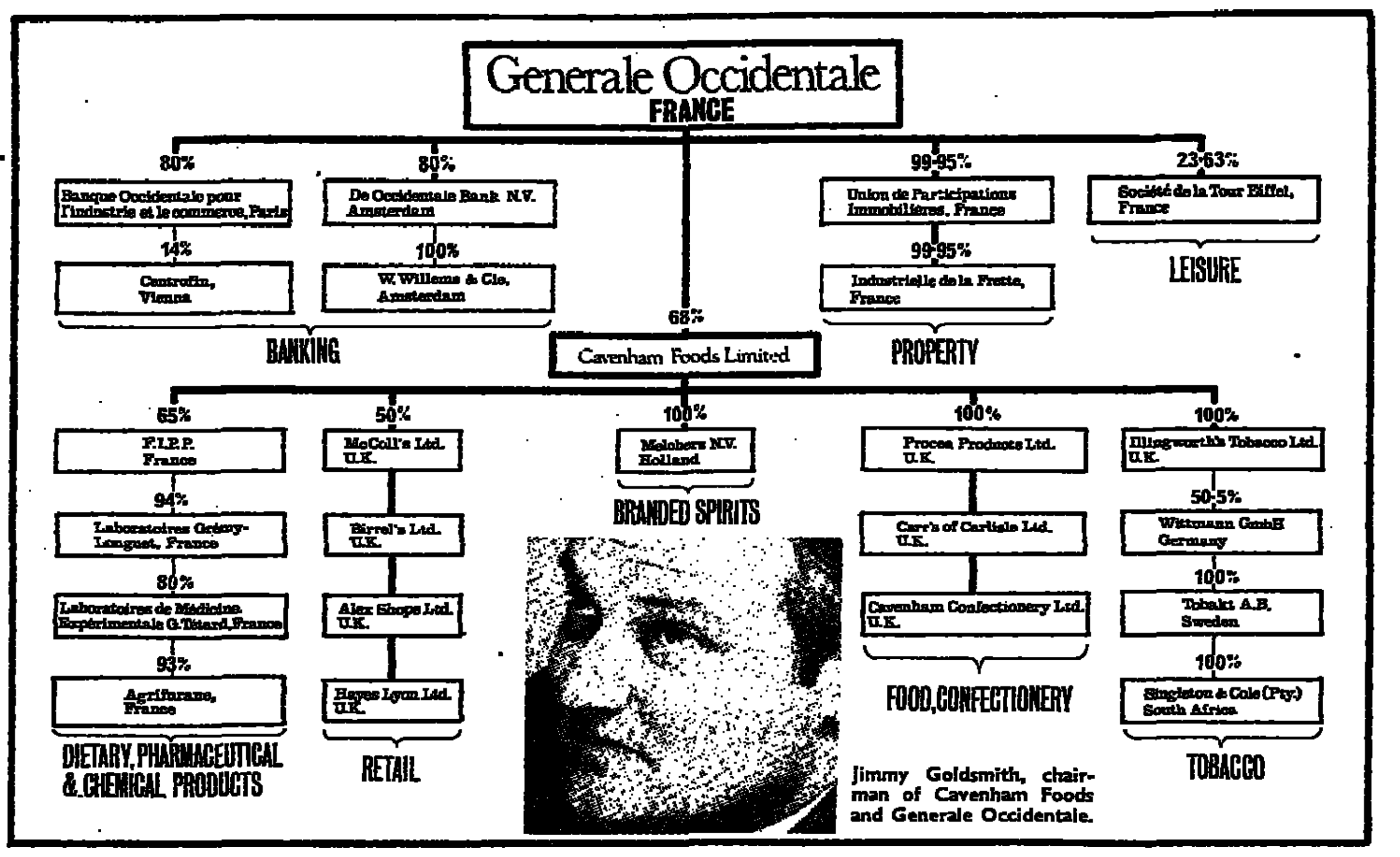
CAVENHAM FOODS

Slimming bread, Bovril and the Eiffel Tower

BY KELSEY van MUSSCHENBROEK

A LITTLE over five years ago Cavenham Foods, as such, did not exist. It is now in the throes of a take-over battle for one of Britain's oldest food companies, Bovril, born nearly a century back when a Scotsman, John Lawson Johnston, invented a beef extract and subsequently created one of the most famous brand names of all time.

Two of the founder's grandsons are still on the Bovril Board: Lord Luke, who retired as chairman at the end of last year, and his brother, the Hon. Hugh Lawson Johnston, present chairman of the company. It is a situation which one has seen time and again since the war—the aggressive newcomer challenging the old order.



Jimmy Goldsmith, chairman of Cavenham Foods and Generale Occidentale.

European future

The Cavenham bid has already flushed out one counter bidder in the form of yet another long-established group, Rowntree Mackintosh, and persuaded the massive Beecham group to move on to the sidelines. Whether Cavenham will win through in the face of this kind of opposition remains to be seen, but chairman Jimmy Goldsmith is quite clear about his reasons for wanting Bovril.

"In the first place, we think we can do more with the existing business," he says. "Bovril's profits have not really moved since 1961. Last year they made 9 per cent. on net tangible assets; we made 50 per cent. The difference speaks for itself. Secondly, we can take them into Europe where they are hardly represented. Thirdly, we think we can do very much more with their two key brands, Bovril and Ambrosia."

These remarks, in fact, reveal a great deal about Jimmy Goldsmith and the group he runs. It could be said he has a high regard for profits, for consumer marketing and for Europe. Probably above all Jimmy Goldsmith is a European. "It is a gut thing," he admits. He was born in Paris—of an English father and a French mother—and educated at Eton. He has a French wife.

At 38 his objective is to create a genuinely "European" food and consumer products group, and Bovril is part of that basic strategy. Should Cavenham succeed in its bid it would not be very surprising, therefore, to see Bovril's South American interests sold off. Of course, Jimmy Goldsmith refuses to be drawn on this just now, but he does stress that "Europe is what we understand."

That may be so, but the fact remains that the speed with which Cavenham Foods has been put together and the somewhat complicated financial deals which went into its making have confused a great many people, not least the City. If Jimmy Goldsmith understands Europe, and Cavenham's place in it, it is an understanding apparently not yet widely shared.

Apart from an obvious financial flair, coupled with an almost intuitive grasp of difficult European tax regulations, Jimmy Goldsmith's business track record reveals what in other circumstances would be regarded as an all too rare management quality —the ability to pull out of an operation immediately it begins to look doubtful not just in profit and loss terms, but also in terms of basic operating strategy. In Jimmy Goldsmith's case, however, it is arguable that this agility has merely helped to increase public confusion. In this sense, at least, he is a victim of his own success.

His first business venture was in France where he founded (with a capital of £1,000) Laboratoires Cassenne in the mid-fifties. In just two years sales had topped £2m. a year, and the company rapidly found itself under-capitalised. Cassenne was sold to Roussel, the large chemical group. Jimmy Goldsmith then joined forces with Selim Zilkha, now chairman of Mothercare.

Together they bought a chemist chain, Lewis and Burroughs, from Charles Clore, while Zilkha took a half share in Goldsmith's new French venture, Milical, a company making dietary foods. In 1962, however, they bought each other out. Goldsmith went back to France where he also became involved with a number of financial institutions which were subsequently merged to form the key holding company of his group, Generale Occidentale. Selim Zilkha went on to develop Mothercare.

It was from France, once again, that Jimmy Goldsmith launched himself back into the U.K., buying Carr's of Carlisle, the biscuit firm, at the end of 1964 and using it as a base to form Cavenham Foods not long after. In 1965 Procea Products was acquired, as were no less than eight small confectionery companies; then came Singleton and Cole, a major tobacco and confectionery wholesaler which included a small snuff business (Illingworth's) and a number of retail shops (Hayes Lyon).

Not the least of Cavenham's "acquisitions" was a young, professional management team (senior management's average age is 42) with backgrounds in such companies as Procter and Gamble, Ford, Mars, Pet Foods, Colgate Palmolive, Beechams. And it is this team which has taken what initially appeared to be little more than a loss-making rag-bag and turned it into a clearly structured, market oriented and profitable group within five years.

In this time, for example, sales of Cavenham's slimming foods division (essentially Procea and Slimcea high protein bread mixes) have increased nearly two and a-half times, with a more than proportionate improvement in profits. To-day Slimcea and Procea breads account for close on 60 per cent. of a market worth around £20m. a year in retail terms. Moreover, it is a market in which some 10 competitive brands have been launched, only to fail.

The beauty of Slimcea and Procea is that Cavenham as such does not bake any bread, but merely sells the special mix, technical know-how, and marketing expertise to bakers. Capital employed is not high, as a result. Moreover, the company is now working on further Slimcea products such as sugar, milk, butter, and has plans to launch a Slimcea sugar nationally fairly shortly following a successful test market in the Tyne-Tees area.

Substantial capital has, however, been injected into both Carr's and Cavenham's confectionery business. No less than six confectionery factories have been closed in recent years, and the remaining three modernised and re-equipped. Both these businesses are now profitable.

With the acquisition of Singleton and Cole, Cavenham initially tried to become a major force in tobacco and confectionery wholesaling. The attempt was unsuccessful, and Cavenham pulled out of wholesaling entirely, keeping the snuff business and retail shops. Both these have been developed further with important and profitable results for the group as a whole.

It was because of the snuff business ("We found it hiding away in Singleton's" says Jimmy Goldsmith) that Cavenham became linked with the U.S. Conwood Corporation. An attempt to sell the snuff business to Conwood's (itself America's largest snuff company) resulted in the U.S. company taking first a half interest in Illingworth's, and then 50 per cent. in Cavenham Confectionery—the total consideration was £1m.

The expansion of Cavenham's retail confectionery, tobacco and newsagent (CTN) shops has been even more gratifying. The original 22 Hayes Lyon stores were joined in October, 1969, by 45 Alex Shops. At the beginning of this year Cavenham bought the Birrell and McColl chains (430 shops) from Keyser Ullmann, the merchant bankers. They were running at an overall loss.

Since then 105 unprofitable shops have been closed, along with a warehouse, and stock levels halved with a reduction in capital employed of £600,000. Profits are now running at more than £300,000 a year.

It is the performance of this division which has formed the basis of Cavenham's latest deal, as a result of which the Southland Corporation of the U.S. expects to take a half interest in the retail chains for £3.3m. payable in cash on October 1. In effect, this means that Southland is valuing the retail shops on a price-earnings ratio of 18, based on average profits of £625,000 a year for the next two years.

Given that Cavenham paid £1.2m. for its entire retail chain (now represented in the books by £700,000 of net tangible assets and £500,000 of goodwill) the Southland deal appreciably strengthens the U.K. company. Was its timing influenced by the Bovril bid? Jimmy Golds[mith] says that "nothing could be [fur]ther from the facts."

These are that while ta[lking] to U.S. investment ban[kers] Rauscher Pierce of Dallas, [prior] to the Bovril bid, he was [told] about "a client" of theirs [who] was looking for a European [part]ner. "The Americans don't [waste] time, you know," Golds[mith] adds. Contracts between Ca[ven]ham and one of America's [big] "convenience store" oper[ators] (Southland owns the 3,700-st[ore] 7-Eleven chain, among oth[ers]) are now being exchanged.

At the same time, Jimmy G[old]smith recognises that som[e of] the Cavenham-Generale Occ[iden]tale structure may have see[med] over complicated. It was p[artly] because of this that Conw[ood's] interests in Illingworth's [and] Cavenham Confectionery [were] exchanged for an effective [...] per cent. stake in Gene[rale] Occidentale last year, and w[hich] led to Cavenham's shares b[eing] temporarily suspended on [the] London Stock Exchange. By [the] same token, Cavenham Con[fec]tionery will lose its Swiss r[egis]tration, and be brought bac[k to] the U.K.

Property interests

Again, in France Gene[rale] Occidentale's property inter[ests] will follow the company's min[ing] interests and be sold off. ([The] Eiffel Tower stake will be k[ept], however.) Up to £8m. is [ex]pected to be raised in this [way] for use in the group as a wh[ole].

Cavenham's own European [in]terests are held through [the] wholly owned subsidiar[ies] Cavenham AG in Switzerl[and] and Notra NV in Holland. [The] exact proportion of operat[ing] company shares held by each [is] essentially a function of Eu[ro]pean tax regulations—the b[asic] objective being to minim[ise] Cavenham's overall tax burd[en]. If this appears complicated [it] it is no more than a reflect[ion] of the long road Europe still [has] to travel before genuine harmonisation is achieved.

Jimmy Goldsmith's m[ain] stake in Cavenham is h[eld] through Generale Occidentale which he and his French "p[art]ner," Baron Alexis de Gunzbu[rg] have a controlling inter[est]. There is a certain irony ab[out] this, for it means that Cav[en]ham is take-over proof.

One aspect of promotion and marketing, they say, is a superior floodlighting job. People, it seems, remember the buildings on which the lights shine. So put the name and/or the brand names up in lights.

Hurstmonceux Observatory and St. James's Park have nothing to sell except their own beauties. Thorn floodlighting gives them both a different quality by night. Memorable and haunting? Perhaps.

Supervisors—industrial cinderellas

BY STANLEY OLIVER

CORPORATE growth has a dramatic effect on the role of the supervisor. Yet too few companies recognise this. Directors lose touch, fail to project the aims of the company, and consequently the supervisors become less effective.

When a company employs around 50 personnel, the production foreman is likely to be responsible for around 35 to 40 personnel. He will be wholly responsible for the production area, while the company middle-management layer may consist of sales, administration, production, design and development. He will supply all the "specialist" services, with the exception of design and development, and he will experience very little interference in his day-to-day work.

In the company's history, it might be only a short step forward in time before the total number of employees reaches the 200 mark. The organisational implications of this apparently modest growth may be quite dramatic.

The foreman will probably become "production superintendent" and may become responsible for nearly 150 personnel. The production side of the business is likely to have been divided into the following three heads under a works manager: production control, production, and production engineering. The company may have a personnel and training officer and also a chief inspector. Our superintendent has a much larger number of personnel to look after and will probably have five foremen to assist him.

If the company grows larger, to a stage where it has 1,000 employees, his position becomes even more complex. He may now carry the title of assistant works manager. There will have been a considerable strengthening of the accountancy, production engineering and personnel functions and senior managers will have appeared in these specialisms. There is also the possibility of a management services officer appearing in the organisation.

The assistant works manager (or the production superintendent), could be excused for thinking that there is now a plethora of management personnel interfering with his work—which he did perfectly well himself in the "old days."

Re-allocation

As companies develop through these stages it is a familiar experience for them to lose touch with their supervisors. For example, let us look at the job of an assistant works manager in a 1,000-men factory. I once gave one of these men an activity sampling study, with the following results:

Meetings and discussions occupied 35 per cent. of his time; 31 per cent. was taken up with miscellaneous activities such as investigating machining problems, loading and planning, organising and inspecting shops; the balance of 34 per cent. was spent on sales and delivery problems such as estimating, ordering materials and costing tenders.

"I concluded that 40 per cent. of his total time was being used on work which should not be the concern of an assistant works manager. There was a clear case for a re-allocation of duties and it was decided to create a new post of machine shop superintendent.

The activity sampling study revealed that the assistant works manager had practically no time available for cost control and cost reduction in the manufacturing situation. He thus had little influence on the efficiency of overheads recovery. The company's top management should have been aware of this, and should have taken steps to make him more effective.

It is important for directors and senior managers who have lost touch with their supervisors to regain contact. This can only be done by increased involvement in the supervisor's environment. There are four aspects to this.

Firstly, directors and senior managers should experience personal involvement. Use can be made of informal discussions, visits to the shop floor and attendance at company social functions.

Secondly, there should be technological involvement. Neither the director nor supervisor should stand on the touch-line and leave the pursuit of improved technology to the specialists. Supervisors should be brought into meetings where important equipment is being discussed and should be taken to see equipment exhibitions and demonstrations.

Thirdly, there should be company involvement. The supervisor should be the "complete company man." He should be well informed on company policy, and should understand how he can play a maximum benefit role. There should be close liaison with marketing departments. Supervisors should be invited to meetings of sales representatives where they will receive important feedback from customers. A house journal or company news-sheet is helpful.

Fourthly, there should be management techniques involvement. The supervisor should be encouraged to discuss relevant management techniques, particularly with the specialists.

Educational courses will only be useful if a lead is given in the pursuit of increased profitability by directors and senior management. What has happened to your supervisors—do you know?

Stanley Oliver is senior lecturer in management techniques, Salford College of Technology.

Consultants for bank

LLOYD EXECUTIVE Selection, the personnel consulting company, is to provide the senior staff for the London branch of the Bank Hapoalim of Israel. The bank, which has its head office in Israel, had previously maintained a representative in London for one year.

Five senior personnel have now been appointed through Lloyd Executive's banking and stockbroking division.

In brief

● Lonsdale Crowther has won the British Rail Sealink ferry account, worth some £350,000 but possibly rising to £400,000, against Young and Rubicam, Foote Cone and Belding and Dorland. But it has lost Carreras export advertising and the £250,000 Rothmans King Size cigarette business.

Carreras has re-aligned its agencies in order to get "London-directed on-the-spot representation in its most important world markets." McCann-Erickson gets export advertising and will also handle Dunhill home and export accounts which were formerly with Freeman Mathes and Milne. Lintas gains the King Size in the U.K. and FMM takes over the £180,000 U.K. Peter Stuyvesant account from George Cuming.

● Wydells is to handle an eight-day pilot exhibition in Sheffield for Ocean Travel Development.

● Goya's new Meadowsong range of toiletries is an MCR account. Advertising is to begin on August 18 and continue until December. Press and radio make up the schedule.

BOOKS RECEIVED

Management Theory, by John B. Miner. Collier Macmillan £1.95. Aimed at people looking for their bearings in management. Students, managers, administrators. Theoretical and American.

The Financing of Small Business, by James Bates. Sweet and Maxwell £3. Second edition. The author is professor of business economics at Queen's University, Belfast.

The Patent Office, by Stacy V. Jones. Pall Mall Press £3.50. The author writes a column in the New York Times called "Patents of the week."

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World steel—a problem the demand cycle cannot cure

Wage settlements . . . higher prices . . . cheap imports . . . **Ken Gofton** looks behind the settlement of the U.S. steel pay negotiations, and discusses the turmoil in which the world's steel producers find themselves

BY last week-end they had started to dampen down the furnaces, so close did the U.S. steel industry pay negotiations come to a major strike. As it is, a last-minute settlement has kept the furnaces glowing and the mills turning, but it is an agreement that gives the steelworkers an extra 30 per cent. over the next three years (and possibly more with cost-of-living allowances), an agreement that has done nothing to resolve the pressing problems of the industry either locally or worldwide.

The pay award, in line with others previously negotiated by the same union in aluminium and canning, will cost the steel companies over $700m. Since their profits last year on an industry-wide basis totalled little more than $500m., it is hardly surprising that the biggest of them, United States Steel, has already announced price increases averaging 8 per cent.

In taking this action, U.S. Steel is rather like an ingot being squeezed through one of its own cogging mills: it cannot afford not to raise its prices, but when it does it makes it even easier for cheap imports to eat into its markets.

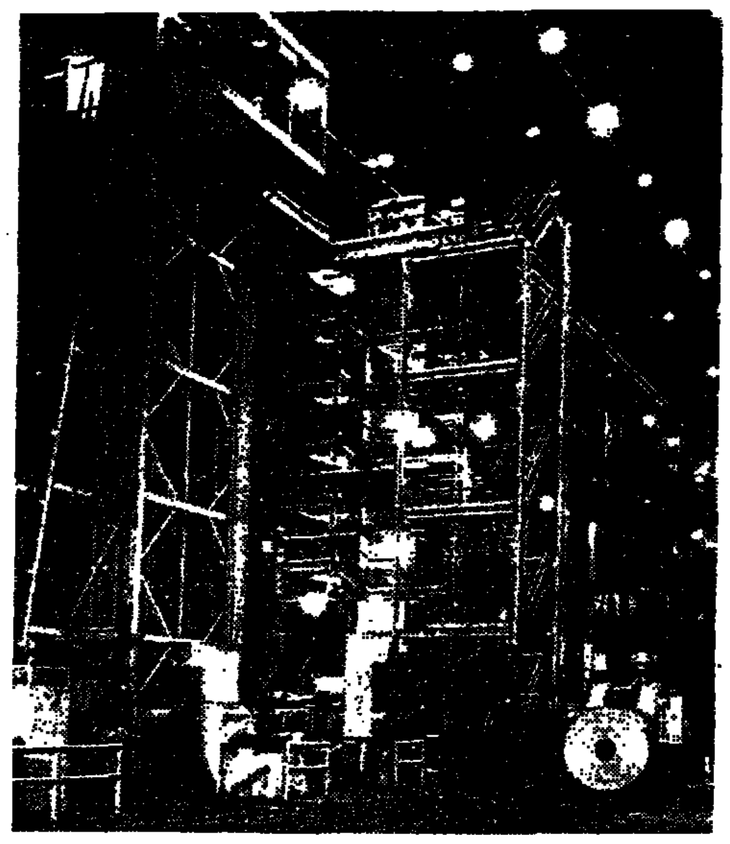
Pledged to hold prices

The Americans have had a bad time recently. They were hit last year by the General Motors strike. They suffered a self-inflicted wound, having pledged themselves in 1970 to hold prices for 12 months at a time when raw material prices were shooting upwards. Then, rather like the British Steel Corporation, they failed to get away with the price increases they would have liked at the beginning of this year when President Nixon expressed his displeasure at the 12.5 per cent. sought by Bethlehem Steel. As the biggest and richest market, they have also been the most vulnerable to imports, so that foreign mills now rank third, after U.S. Steel and Bethlehem, as a source of metal for the American engineering industry.

But the U.S. steelmakers are not the only ones with troubles. One hardly needs reminding that on this side of the Atlantic the British Steel Corporation itself is in serious difficulty. Its £10m. deficit in the last financial year may be capped in the current year by one of £110m. The latest figures from the International Iron and Steel Institute show that the rot has set in at other steelmaking centres, too.

For instance, Common Market output of raw steel was down 6.2 per cent., from 56.57m. to 53.06m. metric tons during the first half of 1971 against the first half of 1970. In Japan the fall was 6.3 per cent.: in the U.K. 10.3 per cent. In every case, the performance in June when compared with a year earlier was proportionately worse, with Japanese production down 10.6 per cent., and U.K. production down 16.9 per cent. (An important factor in the disappointing U.K. figures for June was the short-lived but damaging blastfurnacemen's strike which may now be repeated in September.)

The only important exception to these gloomy first half figures is, surprisingly, the U.S., and the improvement there—January-June output up by 5.7 per cent. on 1970—coinciding with record imports, is largely explained by the customers' rush to stock up with steel ahead of what could have been a prolonged strike. Inevitably, a backlash will follow. In June, steel output was only 1.8 per cent. ahead of the same month of 1970. The chairman of U.S. Steel, Edwin Gott, has said that he expects shipments to fall steeply from now on as stocks are run down.



An overall view of continuous annealing lines of the United States Steel Corporation in Pennsylvania. U.S. Steel this week announced price increases averaging 8 per cent.

Still faith in the cycle

Steelmakers, of course, know that they have to live with a cyclical pattern of demand. Up to the middle of last year they were enjoying an unprecedented international boom: after those heady days, the hangover comes as a bit of a shock, and it is all the more painful because of the way costs have risen in the meantime. However, no one has yet lost faith in the idea that the cycle will eventually resume an upward path, even if it is accepted that business may not show any recovery before the early part of next year. The present problem of low-capacity working, in other words, is one which should sort itself out.

Yet there is another factor at work in the messy situation the world steel industry has got itself into, and it is one that will not go away by itself: international trade. Steel, being a heavy, bulky, and relatively cheap commodity, has never been shipped around the world in large quantities.

There has been no equivalent of the aluminium industry's "switch" deals, whereby if foreign supplier A locates an order in the home market of producer B, in all probability it will be company B that supplies the customer in return for a similar service in the home market of company A, and a saving in shipping costs all round. Moreover, steel being of great strategic importance, local industries have been well protected by tariffs in the past.

To-day the pattern is changing. Of the limited quantities of steel which used to be shipped around the world, the main flow, traditionally, was from the developed countries to the undeveloped, which lacked steel-making facilities of their own. Many of those markets have now gone, completely or in part, as developing nations have gone into production on their own account. Tariffs have come down, under the Kennedy Round and similar treaties. More steel crosses international frontiers these days, and more of it passes between the developed nations.

Temporary surpluses

The International Iron and Steel Institute, for instance, has estimated that world trade in steel mill products has risen from 65.4m. metric tons, or 16.3 per cent. of world production in 1967 to 90m. metric tons (19 per cent.) last year; by 1975 the figure could be 110m. metric tons, or about 20 per cent. of world production.

There is a certain inevitability about this. Demand for a particular product in one country may surge ahead of the capacity or technical ability of the local steel industry, as happened in the U.K. during the rush to lay the natural gas pipeline network. Or, as is the way with major capital projects, capacity may be brought in to production in a big lump, giving rise to a local, and temporary, surplus.

What takes some getting used to, however, is the Japanese idea of building steelworks with the intention of exporting a major part of the output. Japanese home demand for steel has expanded very rapidly, but because the industry must import almost all its raw materials it was expected to export something like 25 per cent. of its finished steel to cover its purchases of iron ore and coking coal. This would be less of a source of anxiety to Japan's competitors if the tonnage involved was not so large: output is now around 90m. tons and may rise by as much as another 50 per cent. by 1975.

More than anything else, it is the expansion of the Japanese industry that has led to the discussions now going on around the world to try to control the growth of international trading in steel. A three-year voluntary agreement, limiting steel shipments to the U.S., and introduced in the peak import year of 1968, runs out at the end of this year. The Americans are taking a tough line in the talks with U.K., Common Market, and Japanese steelmakers which will set the limits on exports to the U.S. for the next few years.

Divert more to Europe

At the same time, the British and European industries fear that if the Japanese have to settle for something less than they would like in the U.S. market, they will divert more steel to Europe. This is what lies behind reports of further talks aimed at extracting a further "voluntary agreement" from the Japanese not to flood the European market.

On the whole the U.K. has not directly suffered as much as the Continental countries from Japanese exports. The damage has come more from low-price competition in markets which the British Steel Corporation has regarded as its own, such as Scandinavia. However, there may be some significance in the fact that shipments of Japanese steel to the U.K., having hovered between 2,000 and 5,000 tons a month for the past three years, averaged 20,000 tons a month during the first four months of 1971. Certainly the BSC's special steels division is worried about the rise in imports of stainless steel.

Risk of legal action

All the emphasis on voluntary agreements, of course is intended to avoid legislation, or any form of "trade war." There has been ample evidence of a revival of protectionist sympathies in the U.S. in the past three or four years. As the Americans often feel that they are the victims of "dumping," the risk of them taking legal action to protect their steel industry is not as remote as it might once have seemed. Similarly, according to steel industry sources, European politicians, at least in private, are becoming more protectionist. There are signs, it is said, that the Japanese are beginning to recognise the danger signals, and modify their expansion plans.

Investment programme

The intriguing question is where this leaves the British Steel Corporation. Its long-term investment programme is now being reviewed by the Government, but its plans for a major increase in production from 25m. tons in 1970 to 35m. tons by 1975 and possibly 43m. tons by 1980, depend very much, in Lord Melchett's words, on "our success in building up sales in export markets, as well as on our ability to produce for the home market at attractive enough prices to avoid losing business to imports."

Can the trick be done? The problem for the BSC is that it dearly wants some brand new steelworks to improve its competitiveness, which (in the absence of a wholesale closure programme of old works) implies a big jump in capacity. In view of the question marks over international trade in steel, however, it will need to be very certain that it can sell it all, profitably, before it goes ahead.

No overnight change

NOW THAT the Government decided to go for faster economic growth and the Industrial Relations Bill has become Act, there may be an opportunity to dispel the bitterness which has accompanied its progress through Parliament. The Act will not come into force overnight. The National Industrial Relations Court and the new office of the Registrar of Trade Unions have to be set up and appointments made. The Commission on Industrial Relations has to be expanded and arrangements introduced for manning the Industrial Tribunals. These institutional factors will govern the pace at which different sections of the Act are brought into force.

Provisions for the registration of trade unions and employers' associations will be introduced first, in the autumn. In the winter, when the Court has begun to operate, the sections will come into effect dealing with unfair labour practices and the assumption that contracts are legally binding unless expressly stated not to be. The sections dealing with unfair dismissals will be introduced only when the Industrial Tribunals are properly staffed, perhaps not until early in 1972. There is going to be no sudden rush of litigation.

Deregistration

The unions are planning to hamper the working of the Act in three different ways. First, the TUC is urging its nominees to stop sitting on Industrial Tribunals and particular unions are proposing to back up this request by ceasing to pay expenses to members and former members who ignore it. This could create manning difficulties, since at present one of the three members of each tribunal is normally a union nominee. Second, unions will take care to ensure that the majority of contracts include clauses ruling out their legal enforceability.

Third, the TUC is recommending unions not to register under the Act. When the relevant section comes into effect, unions already registered will be automatically transferred to the new register, but the TUC wants them to take themselves off the old one before this happens. Some white-collar and general unions would prefer to register for fear of being put at a competitive disadvantage. The disadvantages of not being registered—loss of some immunities, limitation of the right to recruit, liability to unlimited damages if taken to court, possible tax penalties—are so great, moreover, that many union leaders are resigned to the idea of registering once the initial protest has been made. But a call may be made at next month's TUC Congress for unions which register to be expelled. It remains to be seen if the Left-wing can push the majority into more militant action than it wants.

Gradual process

Provided that the door to gradual acceptance of the new legislation is not locked in some such way as this, the outlook is not discouraging. Everyone will be playing themselves in cautiously. The Registrar and the NIRC have to work out their interpretations of the Act. The Minister has to decide in precisely what circumstances he should exercise his powers to impose a cooling-off period or call for a secret ballot. Employers have first to acquaint themselves with their new obligations and are unlikely to resort to litigation very much more than in the past, for the simple reason that this would often tend to worsen labour relations rather than improve them. Unions and their members may come to realise and admit, now that the legislation is an inescapable fact, that they have much to gain from it. The time has come, in short, for emotion to give way to reflection.

A mouse of an upturn

GREAT PLAY was recently made by the Chancellor with the fact that the latest export figures showed that there was some increase in the volume as well as the value of British exports. A careful analysis in the official publication "Trade and Industry" shows, however, that so far we have seen no more than a mouse of an export revival. If the trend does not accelerate sharply the much-proclaimed £600m. payments surplus will eventually melt away, and the Government's new expansionist strategy will go the way of all similar initiatives in the past.

Distortions

Because of the distortions caused by the Post Office and Ford strikes, the first half of 1971 has to be considered as a whole and compared with the second half of the previous year. On this basis the official figures show that both exports and imports rose by 6 per cent. in value. But while two-thirds of the import rise was due to an increase in the volume of arrivals, only one-third of the export rise can be explained by volume changes. This implies that on the latest evidence export volume is increasing at an annual rate of not much more than around 4 per cent. This limited upturn has moreover occurred after a year and a half in which there was virtually no growth at all in export volume, even though the exports of other industrial countries continued to expand at a moderate rate.

By almost any standard of measurement this performance spells trouble. Import volume increased twice as fast as export volume even in the first half of this year. This was a period of recession accompanied by low stockbuilding. One hesitates to think what imports will do if the rate of growth really does reach the Chancellor's projected 4-4½ per cent. and stockbuilding returns to a more normal level. The balance of payments has remained strong partly because of the stagnation of the home economy, but even more because of the very rapid increase in export prices. This provides a fools' paradise situation and actually causes a temporary swelling of export receipts.

The Department of Trade and Industry points out that by the first quarter of this year prices of British exports of manufactures were on average 9 per cent. higher than a year ago "while the prices of our major competitors rose on average by less than half this rate." An "improvement" in the terms of trade brought about in this way can be a short-term cushion for the balance of payments, but British export prices cannot continue to rise more than twice as fast as those of competitor countries without a depreciation of sterling.

Not surprisingly the DTI concludes that over half the devaluation gain had already been eroded by the first quarter of 1971. Since then a little of the lost ground has been recovered by means of a further modest backdoor sterling depreciation brought about through the floating and revaluation of the German Mark and a few other European currencies.

Breathing space

What has happened so far may give the Government a few extra months' breathing space. But if the British balance of payments is to stay in the black over the longer term there must be one of two developments. Either the Government's new prices and incomes strategy must bring a big and reasonably rapid reduction in the rate of inflation; or there must be a large currency realignment in which the dollar is devalued in relation to the main European currencies and Japan, but sterling stays with the dollar. The second development is less unlikely than the first. Even so it would be very risky to rely on it happening. Moreover, even the most ideal pattern of exchange rates will not save us from trouble if the latest reflationary measures were to overshoot the mark and a home consumption boom were to lead to renewed domestic overheating.

MEN AND MATTERS

The U.S. grip on International Combustion

When Mr. H. W. Jackson resigned last Friday as managing director and deputy chairman of International Combustion (Holdings), it was not a hard guess that this was a sign of the increasing grip being taken on the company by Combustion Engineering, the American company which in 1969 stepped up its stake in ICH from 10 to 30 per cent., with an option on 15 per cent. more. Last September it was announced that a team of executives from the U.S. company would be coming over to take part in the management of International Combustion Limited, the main operating company. This happened a few months after ICH had accepted £7m. liability on the disastrous Dungeness B nuclear power station contract.

What has now happened is that Mr. John Mangold, the American who became managing director of the operating company late last year as head of the U.S. management team, has now become managing director of the holding company as well.

Mangold, 44, was for 20 years with the U.S. Navy, with a degree in engineering and electronics, and was for the last nine years involved in the U.S. Navy's nuclear programme—he commanded a nuclear submarine. He joined Combustion Engineering (one of the biggest U.S. builders of power stations) in 1967, to manage the construction of nuclear power plants. Since he came over last October, he has had two principal American assistants, Mr. Leo Buckley, on finance, and Mr. J. C. Campbell, a production expert, helping him reorganise International Combustion (Campbell returns to the U.S. this week).

Read all about it

The Industrial Relations Act is producing a flood of publications to tell us what it is all about. The CBI and the TUC have already got out short guides or comments on the Bill, and the CBI also has a guide for employers. The TUC's equivalent, its Code of Good Practice, is due about October (after the TUC Congress). The British Institute of Management will have pamphlets at the end of this month, and a management guide in the autumn. The Institute of Personnel Management has Prof. John Wood working for an October publication.

But the race to get out the first commentary on the Act in its final form looks like being won by the Industrial Society, which will print Joan Henderson's *The Industrial Relations Act at Work* over the week-end, with a 38,000 distribution beginning on Tuesday—so beating by about a week the actual publication of the Act by the Stationery Office.

The race for the first full book may be won by publisher Philip Kogan, who has Mr. Peter Paterson of the Sunday Telegraph working on an *Employer's Guide* for August 17. But spare a thought for the Department of Employment, which has to get out its guide within 2 months, but, unlike everyone else, has to stick to the letter of its own Act.

No rush to invest in farm land

Whatever happened to the Agricultural Bonds launched a year ago by the Property Growth Assurance company, as a variant (probably a unique variant) on the property bond? At the launch it was said that the minimum single premium investment would be £500, and that the idea was to invest, not in urban commercial or residential properties, but in agricultural land. The fund would be managed by Strutt and Parker, the big estate agents and managers.

A year later, the bonds are *still* quoted on a spread of £506-£516, and only about £70,000 has been taken in—considerably less than the £120,000-£150,000 which Strutt and Parker originally said they were going to spend on each separate investment. And in fact no investments have been made—the £70,000 has been lying on deposit.

So is the bond a failure? Mr. Peter Hutley, managing director of Property Growth and a well-known figure in the property bond business, says that really it was a private fund for other investors with the group, and that it has never been advertised or propagated, and that in the meantime his company has been watching the market and "testing the temperature." But this period of waiting may soon be over—"it is our firm intention to buy a property by the end of the year." It looks unlikely to be the 500-plus acres originally intended for each investment, "but for £70,000 you can buy 300 to 400 acres."

Never out of the headlines

On Monday, Mr. Maxwell Joseph resigned from the Cunard Board and from his personal involvement in that takeover situation. On Tuesday, his Grand Metropolitan Hotels company bid for East-Kilbride Dairy Farmers. On Wednesday, it made its fourth offer for Truman Hanbury Buxton. And yesterday, just to keep up the pace, it bought a cafe in Rome. Not just any cafe, of course, for the Café de Paris is on the Via Veneto, was the setting for some of the film *La Dolce Vita* and boasts a heated canopy which enables the famous to sit outside all year round to have their pictures taken by the *paparazzi*. Just as important, the back of the restaurant adjoins the back of the Savoy Hotel, which Grand Metropolitan bought in June.

The Rome deals were done by Mr. Stanley Grinstead, one of the triumvirate which rules Grand Met—Joseph himself, plus joint managing directors Grinstead and Mr. Ernest Sharp. Anything to do with hotel management comes to Sharp and Grinstead, known internally as Pinky and Perky, with Sharp the entrepreneur and Grinstead the finance man. He first went to Rome looking for business last September, and after a few blind alleys, "got a lead on the Savoy," and soon afterwards the Café de Paris.

And what will happen in Joseph's empire to-day? Grinstead admits that the last month has been a bit hectic. He is off on a fortnight's holiday.

Gardening note

We can now expect all-white plants. Previous experiments to prevent colour development had failed because the chemicals used killed the plants. But the Agricultural Research Service of the U.S. Department of Agriculture has now found a herbicide which, while not very effective at killing plants, makes it possible to grow them pure white, flower and foliage.

Observer

UCS — the question of responsibility

WHO IS responsible for the Upper Clyde disaster? One's normal reaction to this kind of question is one of impatience, because it tends to produce the kind of useless and basically dishonest slanging match which we have heard Mr. Anthony Wedgwood Benn and Mr. John Davies conducting during the last six weeks—an exchange which is not only demeaning in itself but which makes it more difficult than ever to clear up the mess.

All the same, *the question of responsibility is still important because the whole story throws so much light on the characteristic weaknesses of the last Government and of this one.* Whatever the embarrassments and difficulties, Mr. Davies would be doing a real public service if he changed his mind and allowed some outside *body* — perhaps a Select Committee of the House of Commons —to review the complete history of the affair.

Mishandled

Meanwhile what is the relatively impartial observer to make of the business? Clearly, both the Labour and the Conservative Cabinet have made terrible errors of judgment and presentation and the Labour errors must surely be judged as, if anything, more fundamental than the Conservative *ones, if* only because they preceded them. A man who fails to jump out of the way of a carelessly driven motor car when he has time to do so deserves to be run over, but the basic fault lies with the careless driver. By the same token Mr. Davies has mishandled the UCS crisis, as he has the Rolls-Royce one, but he would not have been required to handle a crisis in either case if Mr. Benn had not set them rolling before he left office.

There are three serious charges against Mr. Benn, and a really experienced parliamentary performer in Mr. Davies's shoes could have slaughtered him with any of them. The first is that he should never have allowed UCS to be set up in the first place. His alibis—that the merger in 1967 was the idea of the five yards involved and that it was all in line with the Geddes report on shipbuilding in any case—simply will not do.

Anyone who had anything to do with the beginning of UCS agrees that the existing yards had their arms almost twisted off by the Shipbuilding Industry Board and the Ministry of Technology, before they consented to form UCS; and the Geddes Report, though it talked of the desirability of forming "one or two" groups in the Clyde as a whole, was certainly no licence for chaining the five struggling or unprofitable yards of the Upper Clyde together under an untried management in the belief that they would turn, by some implausible piece of alchemy, into one profitable concern.

What seems to have happened is that Mr. Anthony Hepper's fast-talking enthusiasm for the merger chimed in with the fashionable Wilson-Benn passion for "dynamic" intervention in the industrial field and with their very reasonable fears about looming unemployment on Clydeside. The trouble was that nobody concerned was ever really clear whether the enterprise was supposed to be a viable economic proposition or a convenient way of subsidising *West Central Scotland.*

Ambiguous

This confusion really constitutes the second charge against Mr. Benn, for it persisted right down to June of last year. There were those in the Ministry of Technology who believed that the yards would never make money, but that by careful pruning, with rationalisation and with new management, the losses could be drastically reduced and the Upper Clyde work force gradually absorbed into other industries. On the other hand there was a school of thought which beleived the breezy forecasts of the management and their accountants and assumed that viability was just round the corner—if only another few million pounds was spent.

By the end of the Labour term of office the first of these groups was clearly in the ascendant: and if Labour had won the Election those responsible were all prepared to (a) change the management, (b) hive off Yarrow's yard, and (c) close down John Brown's yard at Clydebank as soon as possible. But even after the crisis in 1969 when the Government had to put up £7m. in a hurry there were still those who deceived themselves and the public that this was the last shove before the company turned the corner.

Mr. Benn's personal position was always ambiguous. In reality he almost certainly moved from naive optimism to a rather sadder realism; but his public utterances never kept pace with this shift. It is unfair of Conservatives to reproach him for his statements in 1969 warning the workers that there was no "safety net" under UCS. How else could he have secured union co-operation in the rationalisation and increase in productivity that was actually achieved?

On the other hand he did nothing either then or subsequently to prepare Parliament and public for the probability that further State funds would be required, or the work force for the probability that the squeeze on them was going to be increased. Indeed, when he went out of office the Party line was that UCS had received its last subsidy and would shortly make a profit.

> **'Clearly, both the Labour and Conservative Cabinet have made terrible errors of judgment and presentation and the Labour errors must surely be judged as, if anything, more fundamental than the Conservative ones, if only because they preceded them.'**

When the crash came, of course, this public position was extremely uncomfortable and Mr. Benn has had to climb out of it as best he could. It is not so much a "charge" as a piece of gruesome inevitability that he should look terrible in the process. He knows perfectly well that there has been no Conservative "plot" to butcher Clydeside; he knows that nationalisation would have made no difference to a company which was up to the ears in debt and was already owned 48 per cent. by the Government, and he knows that the Clydebank "work-in" has nothing to do with "the power of the people turning positive" and all the rest of the pseudo-syndicalist rubbish he was spouting last week-end. But it is only by these shifts that he can avoid the implications of his own past actions and utterances.

Mr. Davies and his Conservative colleagues have made a more straightforward mess of it, but they have made a mess just the same. The legacy from Labour was extremely bad but (oddly for a business man) Mr. Davies does not seem to have realised how bad it was. He seems to have been caught off balance in October by the first intimation that another crisis was on the way and in his shock proceeded to make matters worse by withholding credit guarantees and undermining the confidence of suppliers.

Unprepared

The next three months must have been extremely unpleasant for him as he tried to reconcile the familiar industrial doctrines of Mr. Heath with the realities of the situation. Prolonged subsidy of a non-viable enterprise (à la Benn) was ruled out by the "lame duck" dogma, but then the collapse of UCS was an obviously horrific prospect, both in political and human terms. The only course left, therefore, was to try and convince oneself that UCS could be made profitable.

The elaborate exercise undertaken last Christmas to this end —with the co-operation, once again, of UCS's over-optimistic management and accountants—seems to have done the trick, at any rate in Mr. Davies's mind. He seems to have been genuinely shocked and outraged when the final crisis came upon him at the beginning of June. He was also caucht unprepared. The logic of his position was certainly to call in the liquidator, but his Department does not seem to have worked out in advance what the cost of doing this would be or what kind of arrangements might be made for picking up the wreckage; nor does Mr. Davies seem to have realised just how violent the political reaction from Scotland would be.

The financial and political price involved is, in fact, very high. Quite apart from the cost of keeping the yards going since June there is the question of redundancy and unemployment pay, and on top of that there is the probability that private industry, which the Government is relying on to help it pick up the pieces, will refuse to do so unless it is offered heavy inducements (in the way of expensive contracts and subsidies).

Politically, the Conservative party must look forward to being virtually wiped out at the next local elections in Scotland and to being faced with a revitalised Scottish National Party *and a trade union movement* in which the extreme Left has gained ground. It is possible that if it had calculated these costs in advance, the Gove[rn]ment would still have decid[ed] to go ahead—but in that ca[se] why did it not act last Octob[er] when all these costs might ha[ve] been somewhat lower?

In this unhappy tale all t[he] actors have behaved very mu[ch] according to character. Labo[ur] started with eager superficiali[ty] and declined into muddled, well-meaning, subterfuge. T[he] Conservatives started with [a] kind of naive hard-headedne[ss], had an access of conscien[ce]-stricken fright and th[en] relapsed into muddled, if we[ll]-meaning, insensitivity. But th[ey] are not, in fact, the only on[es] to blame. The country as [a] whole has not faced up to a l[ot] of the issues involved—notab[ly] the real implications of regional policy.

How much weight should [we] give to arguments which s[ay] that it is wrong to spend mon[ey] on bringing work to a Scotti[sh] platelayer instead of allowi[ng] market forces to impel him [to] the South or even to German[y]? Do we really believe in th[e] union of England and Scotla[nd] —and if so why? How shou[ld] we choose the growth poin[ts] for new industry—on social [or] economic grounds? The hum[an] need of Clydeside cries out f[or] vast public works, massive r[e]-training, huge incentives [to] new industry; and I am incline[d] myself, to think that this nee[d] should be met. But I doul[bt] whether the great mass of th[e] *British public thinks so* [and] whether, even if it did, th[e] Government is in the mood [to] go more than halfway.

Labour News

Rail pay claim likely in few weeks

BY ROY ROGERS, LABOUR STAFF

BRITAIN'S biggest rail union, the 190,000-strong National Union of Railwaymen, is to decide in a few weeks' time whether to push for an early *substantial pay claim just three* months after receiving an 8½-11 per cent. deal.

It seems likely that the "substantial" claim agreed upon at the union's recent annual conference will be lodged with a view to getting an implementation date considerably in advance of next May, when the current deal is due to expire. The footplatemen's union, ASLEF, has already lodged a "substantial" pay claim with British Rail.

Furious

The rise in the cost of living since the current deal was negotiated in March, and the outcome of next week's meeting of public sector unions who are all furious at the Government's successful attempts to limit the size of public sector pay settlements, will both influence the NUR executive's decision.

Yesterday a special meeting of the NUR executive, arranged at the time of the last pay deal to discuss the effects of the rising cost of living, decided to refer the matter to the union's negotiating committee who will report back to the quarterly executive meeting in a few weeks.

An NUR spokesman said after yesterday's meeting that it was estimated that the cost of living will have risen by 14.2 per cent. in the lifetime of the current 8½-11 per cent. pay deal if the cost of living continues to rise at its present level.

He also told of BR claims that its financial position was worsening due mainly to the cut down on the movement of coal and steel, caused by the mild winter and the reduced production in many industries, and the loss of revenue due to the high unemployment situation. It was estimated that £1m. was lost by unemployed not being able to take holidays this year.

Once again anxiety was expressed that BR might back the CBI's price restraint policy to the detriment of railmen's pay and jobs. The NUR was not prepared to co-operate with economies if the management was prepared to shop back on the means of paying higher wages—increased fares and charges.

The Government is keen to ensure that pay deals last at least 12 months and will no doubt keep a wary eye on the situation although it may find encouragement in the fact that last year's NUR claim, although drawn up at the July conference, was not lodged until December, with final agreement not being reached until the April.

Swan Hunter strikers to discuss stoppage to-day

BY OUR OWN CORRESPONDENT

SOUTH SHIELDS, August 5.

THE 2,800 ancilliary workers, whose four-day-old strike has closed the Swan Hunter shipbuilding yards on the Tyne and made another 7,700 men idle, will meet to-morrow to decide whether or not to call off their stoppages.

Almost at the same time 60 shop stewards representing 3,850 boilermakers in the consortium—who are now laid-off because of the *ancilliary workers' dispute*—will meet only a short distance way to hear a progress report on pay talks which have been going on with the management for nearly three months.

The shop stewards will decide whether further negotiations are required or whether they can now report to a mass meeting of the boilermakers. Such a meeting is already planned for Monday, but it could be postponed for a few days.

The boilermakers have been demanding an extra £2 a week to restore their traditional position as the consortium's top-paid craftsmen, which they lost when other trades caught up with them as a result of new pay awards.

Demand rejected

Swan Hunter flatly rejected the demand through the entire range of negotiating procedure, and at the end of June the talks turned to improving bonuses as a means of settling the matter.

Some of the boilermakers are still demanding the £2 rise, but the current discussions with the management have been concerned solely with bonus payments.

When they last met, at the beginning of July, the boilermakers threatened to terminate productivity clauses in their present agreement if their *negotiators had no satisfactory* proposals to putf orward at the meeting planned for Monday.

Make Leyland cars perfect—Lord Stokes

LORD STOKES yesterday appealed to British Leyland workers to make their cars as perfect as possible to beat foreign competition.

He said foreign imports had risen to substantial proportions, one car in five now being sold in Britain being foreign. The best way to get people to buy British cars was to make them as perfect as humanly possible when they left the factories.

Writing in the company's magazine, The Austin Morris Express, he pointed out that without co-operation the jobs of many employees would be at risk.

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SURVEYS NEXT WEEK

World of Medicine	Tuesday, August 10
Mexico	Wednesday, August 11
Soft Drinks	Friday, August 13

CEGB places major contracts for £215m. power giant

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE CENTRAL Electricity Generating Board has placed the major contracts for the construction of a £215m. oil-fired power station on the Isle of Grain, Kent, thought to be the largest in the world at 3,300 MW.

At the same time it announced important plans for speeding up the development and preventing the labour disputes which have led to low productivity in the past and helped to throw the CEGB's overall building programme about 18 months behind schedule.

New contract procedures to be used on the Isle of Grain site are likely to form the basis for the construction of subsequent conventional power stations. By using fewer contractors it is hoped to cut out the discrepancies in working conditions and take-home pay between similarly skilled men on different parts of the site which have led to strikes in the past.

Turbines

English Electric-AEI Turbine Generators, a member of GEC Power Engineering, has been awarded a £45m. contract for the five 660 MW turbine-generators to be used at the station and Babcock and Wilcox (Operations) the boiler contract, valued at about £37m.

A further £5m. contract will be placed with English Electric-AEI for the on-site erection of the generators and a £20m. contract will be awarded to Babcock and Wilcox for plant erection.

The Isle of Grain contract represents the biggest single order for turbo-generating equipment placed with English Electric-AEI Turbine Generators and takes its order book up to £150m.

A £10m. contract has been placed with the British Steel Corporation for the supply and erection of the station's structural steelwork and John Laing Construction has been chosen to carry out all the civil engineering and building work, which will have a total value of about £33m.

The station is due to start producing power towards the end of 1975. It is needed to meet the expanding demands for electricity in South-East England.

Under the new CEGB system of contracting for power station construction overall supervision of site erection work will be entrusted to only five main contractors.

Two of these will be responsible for mechanical plant erection (Babcock and Wilcox and English Electric AEI), one for steelwork (BSC), one for electrical work (yet to be decided) and the fifth for civil engineering (Laing.)

The new arrangements will substantially reduce the number of contractors and sub-contractors engaged on site erection work. In previous power station projects up to 100 companies have carried out this work.

Instead of having to co-ordinate the activities of many on-site contractors, the CEGB's site manager at the Isle of Grain will work with the five main contractors' managers as a management group. The development will employ a peak labour force of 2,500.

Apart from site disputes caused by different companies providing different work and pay conditions for workers with similar skills, new problems have been posed for the CEGB and suppliers since the early 1960s by the size and complexity of the power station construction programme. This has also led to delays.

But the CEGB yesterday claimed that it was catching up fast with its back-log of plant construction.

Record

In the calendar year 1970 the Board commissioned a record 4,500 MW of plant and it aims to commission a further 4,500 MW this year.

The Isle of Grain project will be the first major scheme in which Mr. David Marshall, appointed this year to the post of industrial relations adviser within the CEGB's newly-created generation development and construction division, has played a part.

Mr. Marshall's appointment in April this year was described as a major feature of the Board's effort to improve labour relations, productivity and efficiency on power station construction sites.

NATO envoys' counter-offer on Malta facilities

BY OUR OWN CORRESPONDENT

VALLETT, August 5.

TWO SPECIAL NATO envoys flew to Malta to-day to present the Permanent Council's counter offer to Mr. Dom Mintoff, the Maltese Premier, in answer to his demand for £30m. for the renting of air, sea and ground military facilities.

The NATO representatives, so for unnamed, are said to have arrived here following an urgent request from Mr. Mintoff, who *yesterday held a five-hour meeting* with the Libyan leader, President Ghaddafi, in Tripoli. The two envoys are expected to tell Mr. Mintoff that the price put on the renting of Maltese military bases is excessive. Secondly, under no circumstances is NATO prepared to consider renting some Maltese bases while others are offered to another—probably a hostile—block or country.

Libyan figure

In reply, according to authoritative sources, Mr. Mintoff will insist that the price his Government is demanding is considered realistic by military strategists in Europe who have advised him on this issue—particularly during his days in opposition.

What is more, unless NATO's and Britain's counter offer is a serious one coming close to the £30m. a year he has suggested, the Malta Government is ready to enter into an economic agreement with Libya with all the hazards that could present to the NATO Alliance.

According to some reports Mr. Mintoff was yesterday offered a £100m. economic aid accord by the Libyan President, to be spread over a ten-year period. The unwritten condition will be for Mr. Mintoff to continue toeing a neutralist line, which would push Britain and NATO out of Malta.

Mr. Mintoff, it is suggested, urgently called the British Government and the NATO Secretariat, demanding they quickly make up their minds while he consider the Ghaddafi offer. However, Mr. Mintoff will *not make his own decisions* before every prospect of a settlement has been fully explored.

His hand in the curernt negotiations is being strengthened daily now that Libya sems about to exert pressure for an aid agreement.

The Maltese Premier, however, fully realises that making Malta totally dependent on Libyan aid would be a dangerous move which would be strongly opposed here.

He would gladly come to terms, according to his aides, with Britain, NATO and Libya making separate contributions.

According to reports the Maltese Premier has in mind £13m. grants from Britain, another £13m. from NATO, and £10m. from Libya.

NATO belief

Our Brussels *correspondent* adds: NATO sources indicate that some of the less reluctant allies have come up with an initial offer that has been quantified.

NATO officials, when questioned, agree that the collective figure that has been arrived at so far is much closer to £10m. than the £20m or £30m. that Mr. Mintoff has implied would be acceptable to him. It is also emphasised that allied consultations on Malta will, in fact, continue during coming weeks.

Only a handful of allies are prepared to contribute, in any event. The northern allies, and in particular Norway and Denmark, are not very concerned about NATO's fate in the Mediterranean island and they see the whole military situation *in the area as primarily an off*shoot of the Arab-Israeli conflict. Even Italy does not appear to be prepared to pay out more to a Maltese Government that is unpredictable and hostile to the Alliance than she paid to the previous Maltese Government that was very much pro-NATO.

Dr. Ralf Dahrendorf, the European Commissioner responsible for foreign trade, left Valletta to-day after long talks with Mr. Mintoff about Malta's association agreement with the Common Market. Mr. Mintaff is understood to be pushing for an arrangement that would lead to full membership of the Community, as opposed to the existing agreement which will lead progressively to a customs union at the end of 10 years. The association agreement came into effect on April 1 this year.

£1¼M. NCB PIT IMPROVEMENT

The National Coal Board yesterday gave the go-ahead for work to start soon on a £1¼m. improvement scheme at Silverdale Colliery, Newcastle, Staffordshire. Aimed at increasing the pit's output to 750,000 tons a year, the work will take about three years.

Two 'not signing CBI pledge'

BY DAVID WALKER

AT LEAST TWO major companies are believed to have indicated that they will not sign the Confederation of British Industry undertaking to keep price rises in the 12 months to July 31 next year below a 5 per cent. ceiling.

Both are thought to be household names. Despite that, however, support for the CBI initiative was claimed yesterday by the Confederation to be "absolutely massive."

No formal statement on the numbers responding to the prices *pledge plea is to be issued by* the CBI till next week, even though the 200 large companies asked to commit themselves were requested to return signed undertakings by to-day.

Confident

Holidays and the ned to obtain formal Board approval in some cases are being blamed for the delay, which is making the collection of signatures taking longer than expected.

Nonetheless, the CBI stressed, there had been no backsliding *among members consulted before* the scheme was completed. "W[e] are absolutely confident that th[e] support we had then is bein[g] maintained," it declared.

Smaller companies which ha[d] been asked to follow the sam[e] policy without necessarily sig[n]ing the undertaking, had als[o] responded well.

The number of outrigh[t] refusals was expected to be onl[y] a handful.

Telephone Rentals yesterda[y] became the latest company [to] announce publicly that it ha[s] signed the undertaking.

COMPANY NEWS + COMMENT

Peak result expected by Kinloch

IARPLY INCREASED profits e reported by Kinloch (Provion Merchants) for the 34 weeks June 26, 1971, and the directors confidently look ahead to a .tisfactory conclusion of what iould prove to be a record year trading," says chairman, Sir obert Bellinger.

The interim dividend is stepped from 20 to 25 per cent. The 169-70 total was 55 per cent.

Profit, before tax, for the 34 eeks was £687,000, compared ith £500,000 for the correspondg period a year earlier. The gure for the 53 weeks to ctober 31, 1970 was £702,000.

Sir Robert says the period was oteworthy for the rapid escalaon in price of almost all the roducts distributed. "We have xperienced a further twist in ie inflationary spiral, which has een reflected in a rise in sales nd profits."

That, he says, is not to deny ie progress in wholesale and etail trade which has been ccomplished, together with irther consolidation of all the xisting cash and carry outlets nd the opening of a new wareouse in Stanmore which proved nmediately viable.

He reports that an agreement lease the second phase of the laidstone development at a rent f approximately £65,000 per nnum has just been concluded nd instructions to proceed have een issued to architects and onsultants. The building, which ill be financed by the company t a total cost of around £500,000, s expected to be available for etting in the spring of 1973.

Meanwhile further floor space n the existing building has been et, which will carry the income n a full year to £65,000.

	34 weeks 1971 £000	34 weeks 1970 £000	53 weeks 1969-70 £000
xternal Sales ...	26,583	23,160	37,062
rading profit ...	764	581	927
epreciation	126	112	176
nterest receivable	37	45	62
ther income*	26	—	—
oan stock int. ...	11	14	21
rofit before tax ...	637	500	792
axation ...	232	217	344
et profit	405	283	448

* Maidstone property development.

● **comment**

Kinloch has made a spanking start to 1970-71. After eight months profits are 37 per cent. ahead—including five points from rental income in for the first time—but since the four month growth rate was 20 per cent. that implies a rise of nearer 54 per cent. pre-tax for the middle period of the year. At 415p, effective earnings for the past 12 months leave a p/e of 13.6—which set against a profits record of nearly two-thirds growth over the three years 1967-70 is attractive yet the thin market in the shares is mirrored by a jump of 164p since February, and short-term that might prove vulnerable to profit-taking.

London Electrical Trust

London Electrical and General Trust is maintaining its dividend at 7½ per cent. for the year to June 30, 1971, with a final of 4½ per cent.

Gross revenue totalled £465,591 (£460,306), of which £181,493 is franked investment income (£175,748).

Net revenue was £264,137 (£248,677), after a net tax charge of £48,219 (£59,363), which includes £11,103 (£8,349) overseas. The total dividend takes £236,250.

Valuation of investments was £14,853,719 (£11,113,705). After deducting net current liabilities, bank loan, debenture stocks and Preference capital at par, net asset value per share is 99p (79p). Contingent dollar surrender would reduce net asset value by 2p (same) per share approximately.

Meeting, September 16.

L. Ryan setback: 9½% cut

PROFITS for the year to January 31, 1971, of Cardiff-based coal recovery and plant hire group, L. Ryan Holdings, were well below forecast and the dividend is cut from 25½ per cent. to 16 per cent. with a final of 8 per cent.

The pre-tax figure is £270,000, against a forecast of not less than the previous year's £435,000, made when reporting first-half profit up £2,000 at £233,000.

However, chairman Mr. L. Ryan looks for an improvement to over £435,000 for the current year, of which not less than £300,000 will accrue in the first half, reflecting the development which has been taking place since January, 1971, in the installation of additional coal production plants in South Wales, coupled with the better progress being made in Belgium.

On the past year's result Mr. Ryan says that apart from higher interest charges—up from £125,000 to £142,000—operating costs, particularly wages, increased considerably, with the most significant increases coming in the second half without any major compensating increase in selling prices until January, 1971.

He describes as "encouraging" last year's £74,000 contribution to pre-tax profit from the Belgian operation. But adds: "In relation to the cost and time with which the group has been involved in the Belgian development, we are looking for a substantially higher contribution in the future."

Mr. Ryan has waived his entitlement to dividends on his holding to the extent of 2m. Ordinary shares, amounting to £16,000 gross.

	1970-71 £000	1969-70 £000
Turnover	2,823	2,955
Profit	734	884
Pre-tax profit	270	435
Taxation	97	198
Net profit	173	237
Dividends	152	249

● **comment**

Falling short of its half-time profit forecast by 38 per cent., L. Ryan continues a downward slide begun in 1969-70. The latest downswing came in the second half when pre-tax profits dropped 81 per cent., prompting another dividend cut. Blame for this setback is laid largely on wage increases but for the current year, apparently, they will be completely offset by price rises implemented last January. Another forecast is hazarded for 1971-72 with increased profits expected from the Belgian coal operations (about £200,000 pre-tax against £74,000) and the larger number of plants in production. Yet with a fully diluted p/e of 14.7 at 13½p, the forecast needs to be right this time.

Hawthorn Baker pays 17½%

AFTER being down at £11,874 (£26,110) at half-way, pre-tax profits of Hawthorn Baker improved from £47,304 to £53,806 for the full year ended May 31, 1971.

Directors are recommending a 17½ per cent. dividend, the only payment for the year. (The previous total of 22½ per cent. included a 10 per cent. interim.) The dividend has been restricted to conserve cash resources for the expanding litho activities. Certain directors have waived dividends on 200,000 shares.

	1970-71 £	1969-70 £
Profit	88,945	83,654
Interest payable	7,717	4,028
*Development costs	27,422	36,722
Profit before tax	53,806	47,304
Taxation	21,238	12,964
Net profit	32,568	34,340
Dividends	17,500	22,500

* Of lithographic plates and chemicals.

It is expected to make a profit on the litho plate project in the current year. A charge of £12,713 has been made against reserves in respect of losses incurred by two small overseas subsidiaries formed and discontinued in the year.

The group manufactures and supplies precision equipment for the printing industry. Meeting, September 24.

● **comment**

Hawthorn Baker has been in the doldrums for some time now and there is no new trend in the 1970-1971 results. On the traditional letterpress side, HB has been hit by the general downturn in the capital goods sector as well as by special factors like the power and postal disputes. At the same time the new litho plate and chemicals projects has not been making any contribution to profits, though it is expected to do so from now on. Overall, it seems reasonable to project improved profits for 1971-1972 though the market is understandably not taking much for granted at present with a p/e of 6.9 (4.7 after adding back development costs) at 40p.

Collingwood's property developments

THE FIRST venture by Collingwood Group into development of decentralised offices has started "in a most satisfactory manner" at Margate, chairman Mr. E. H. Marley tells shareholders.

Stage I is now complete and the major tenant is the Department of the Environment for occupation by the Inland Revenue.

At February 28 book value of group assets stood at almost £9m.; to this should be added a further £1m. minimum which the Board feels would be the surplus arising from a revaluation.

Some £500,000 remains invested in property assets for which no income has yet been received until the premises are completely finalised for letting. This position will change in the coming months.

Mr. Marley mentions approaches to purchase two of Collingwood's most valuable properties, but says they have been rejected.

Principal activities comprise light engineering and jewellery retailing; in the year ended February 28 1971 they accounted for 72 per cent. (84 per cent.) and 28 per cent. (16 per cent.) respectively of the pre-tax profit.

As reported on July 15 group profit was £305,948 (£354,877) and the dividend 21 per cent. (same).

The chairman says a study is being made of the effects upon trading activities of the proposed entry into the Common Market and the adoption at home of the VAT system.

● **comment**

Unchanged at 29p last night, Collingwood's shares are on a 10 p/e and yielding 7¼ per cent. While this is reasonable on trading terms—last year, pre-tax profits fell 14 per cent. on higher sales—that is by no means the full story. On the directors' latest valuation, the shares are backed by a net asset value of 52½p a share (35½p on book values), of which about 73 per cent. consists of freehold and long leasehold property. Although the greater part of this property is situated in "high street" sites and used by the jewellery retail division, it does look as if the return on the property is below par. Even assuming no profits from retail, the property yield is at most 5.1 per cent. That is theoretical, however, but considering that the Cavendish Square development and the first phase (about 50,000 square feet of a total 200,000 planned) of the Margate scheme should both be making an initial contribution to 1971-72 profits, there seems a good case for rating the group as a property share. So, given the potential for increasing the returns on retail properties, the shares on their current 43 per cent. discount on assets could have attractions.

W. Ransom paying 1½% more

MANUFACTURING chemists, William Ransom and Son, is lifting its dividend from 24½ to 26 per cent. for the year to March 31, 1971, with a final of 21 per cent.

Profit, before tax, increased to £131,605, against a forecast of not less than the previous year's £112,605. At halfway it was £52,000 (£49,000).

	1970-71 £	1969-70 £
Turnover	919,163	764,342
Profit	131,605	112,604
Taxation	52,000	50,080
Tax overprovision	3,239	980
Net profit	82,844	63,564

● **comment**

A feature of Ransom's trading in 1969-70 was tighter margins with profits growth lagging two points behind a 13 per cent. rise in sales. Last year that problem seems to have been overcome with a gain of a fifth in both profits and turnover, which in a year of even more drastic cost inflation is a fair performance. The upshot is earnings of 5.26p a share covering the dividend more than twice, and a p/e at 45p of 8.4. At their present level (up 9p this year, and now roughly what they were placed at in 1968) the shares are firmly supported by the steady record and a 6 per cent. yield.

Keyser Ullmann payment up

ATTRIBUTABLE profits of Keyser Ullmann Holdings for the year ended March 31, 1971, have improved from £574,351 to £590,450.

The dividend is raised from 13½ per cent. to 14 per cent., with a final of 9 per cent. The directors propose a one-for-ten scrip issue and expect to maintain 14 per cent. on the increased capital.

Profit from non-banking interests fell from £661,460 to £568,142; but reduced tax and minorities pushed up the net by £18,000.

	1970-71 £	1969-70 £
Non-banking profit	568,142	661,460
Taxation	196,193	301,914
Outside holders	201,839	207,195
Net balance	170,109	152,451
Net banking profit	*420,341	421,900
Attributable	590,450	574,351
Preference dividend	6,000	6,000
Ordinary interim	130,686	130,686
Final	235,235	222,185
Retained	218,529	215,500

* After tax and transfer to contingencies.

Profits for the current year to date are running at a higher level than last year, the directors state.

Hocroft Trust, a subsidiary, reports a net attributable balance of £627,289 (£608,524). The Ordinary dividend, payable to Keyser Ullmann, is £397,710 (£371,183).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims—East Lancashire Paper Mill, Rea Bros., Thomas Witter.

FUTURE DATES

Interims—	
Fisons	Sept. 27
Kleeman Industrial	Sept. 3
Mixconcrete	Sept. 3
Thompson-Reid	Aug. 11
Finals—	
Austin (F.) (Leyton)	Aug. 12
Crosses and Heatons	Aug. 13
Cussons	Aug. 18
Customagic	Sept. 9
Motor Rail	Aug. 7
Olympia	Aug. 18
Scottish English and European Textiles	Aug. 20
Sterling Industries	Aug. 9
View Forth Investment	Aug. 10

London and County Securities

In his annual review, Mr. Gerald Caplan, chairman of London and County Securities, says the group's activities throughout the U.K. are increasing in scope and size at a considerable pace.

And once new projects and branches being opened are fully developed, he looks forward to a further substantial rise in income.

He repeats his previous remark that prospects for continued growth and increased profitability remain excellent.

As reported on June 19, group profit before tax for the year ended March 31, 1971, amounted to £681,220 (£275,283) and the dividend is 18 per cent. (11.54 per cent. equivalent). Also proposed is a one-for-four scrip and it is intended at least to maintain the dividend rate on the increased capital.

A split of the profit shows U.K. banking and associated services £388,765, property £284,007; Malta banking £7,962, property £486.

The company has arranged to make an agreed bid for Broadview Financial Trust, as known. Shareholders are asked to approve a share incentive scheme, under which shares to the total of 5 per cent. of the issued capital will be available. Maximum shares per participant will be 125,000 and the initial offering will be 100,000 divided between about 10 persons. Inland Revenue sanction has not yet been received.

Meeting, 34, Farringdon Street, E.C., August 26 at 11 a.m.

See Bids and Deals, Page 16

Mr. S. H. Marechal, the chairman of British Sidac, addressing shareholders at yesterday's annual meeting in London. He told them that the current year would be a difficult one for the company, and that its cellulose film activities, which account for the major part of its business, are unlikely to return to the former level of profitability while severe excess capacity in the U.K. continues.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Assam Frontier Tea	8	Sept. 30	8	8	8
Berrow's Organisation int.	10	Sept. 11	10	—	31
Craigielea Rubber	11	—	11	11	11
Glynwed int.	12½	Oct. 6	7½	—	28½
Hammond Lane	2½	—	10	7½	15
Hawthorn Baker	17½	—	12½	17½	22½
Horace Cory int.	5½	Sept. 7	5	—	14
Keyser Ullmann	9	—	8½	14	13½
Kinloch int.	25	Oct. 6	20	—	55
London Electrical Trust	4½	Sept. 17	4½	7½	7½
Mercantile Trust int.	2½	Aug. 27	2½	—	8½
Midland Trust	19	Sept. 21	18	31	28
Premier Investment int.	8	Aug. 18	8	(d)—	(e)24
Ratcliffs (Gt. Bridge) int	(c)2½	Nov. 1	2	—	7½
L. Ryan	8	Sept. 21	17½	16	25½
William Ransom	21	—	19½	26	24½

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Does not indicate increased total. (d) Total of 26 per cent. is anticipated. (e) For 11 months.

Glynwed forecasts extra 1½%

IN THE SIX months ended June 30, 1971, group profit, before tax, of Glynwed showed an increase of some 34 per cent. to £3.37m. and the directors expect the second-half figure will be not less than the first, in which case they anticipate raising the dividend by 1½ per cent. For all of 1970 the profit was £5.05m.

As foreshadowed, the disparity between payments is being reduced with an interim lifted from 7½ per cent. to 12½ per cent.; and a final of not less than 17½ per cent. (21 per cent.) is forecast.

First-half turnover (£42.51m., against £36.8m.) and profits include £4.56m. and £575,000 respectively for three newly acquired subsidiaries. If these are excluded the profit increase compared with the first half of 1970 is 11 per cent.

After excluding the new subsidiaries and adjusting for lower world copper prices turnover rose by 9 per cent.

Sales to the building industry were satisfactory and nearly all units in that sector showed an improvement over the same period last year, report the directors.

Sales to the motor industry were affected by labour disputes which resulted in somewhat lower profits from this part, while the steel division has been affected by the fall in demand for steel.

The South African subsidiary maintained its profits despite the introduction of severe restrictions on the South African economy.

	Half year 1971 £000	Half year 1970 £000	Year 1970 £000
Turnover	42,510	36,801	73,387
Trading profit	4,150	3,100	6,608
Interest	751	751	1,562
Profit	3,360	2,519	5,046
Taxation	1,348	1,109	2,006
Net balance	2,021	1,365	2,995
Ordinary dividends	1,053	563	2,139
Preference	50	—	50

Glynwed announced early last month that it intends making an offer for the capital of Twyfords, and the formal documents will be going out shortly. The Twyfords directors have already rejected it.

Glynwed makes steel and copper tubes, lead sheet and pipes, steel flooring, plastic products, etc.

See Lex

Mercantile Investment

FIRST HALF net revenue of The Mercantile Investment Trust declined from £1,637,756 to £1,546,595. The interim dividend is maintained at 2½ per cent.

For the year to January 31, 1971 a total of 8¼ per cent. was paid from net revenue of £3,004,549.

At July 31, 1971 total net assets at valuation, including $ premium amounted to £106,592,574 (£89,984,429 at January 31, 1971). The net asset value per Ordinary 25p share after deducting prior charges at redemption prices and assuming conversion of Convertible Deb. Stock, was 63¾p x.d. (52½p x.d.).

The loss of dollar premium which would arise on disposals, would reduce the net asset value by ½p (same) per share. No account has been taken of any liability to tax on unrealised capital gains.

Ratcliffs Gt. Bridge ahead

RESULTS of Ratcliffs (Great Bridge) for the first half of 1971 are considered to be satisfactory and prospects for the second half are "reasonably encouraging," say the directors.

Pre-tax earnings in the six months to June 30, improved from £370,000 to £376,000. The estimated tax charge is £174,000 (£185,000). Last year's pre-tax total was £853,000.

The interim dividend is stepped up from 2 per cent. to 2½ per cent. but this increase, directors say, should not be taken as an indication of a higher total for the year. The previous final was 5½ per cent.

The group manufactures brass and copper rolled strip for the motor, housing and electrical, etc., industries.

UNIT TRUSTS

BRITISH LIFE FREEDOM

BRITISH Life Reliance has announced a new unit-linked life assurance contract, called British Life Freedom Plan. The minimum investment is £2 per month and the policy provides a guaranteed minimum cash-in value at the end of ten years. For example, a man paying a premium of £10.17 per month can expect a cash-in value of £1,271 after the term.

The amount payable on death, whenever it may occur, is also guaranteed dependent on the age at entry and the amount of the contribution, or the cash value of the units credited whichever is the greater. A man aged 35 next birthday is assured for a minimum of £1,800 throughout the term of the contract.

After the ten-year point, the policyholder can opt to take the cash or can have this amount paid to him in instalments over a stated number of years. Alternatively, if the investor chooses to continue the plan the units already credited would remain invested and 95 per cent. of the dividends arising in respect of the investment would be reinvested.

ALMSHOUSES FUND DISTRIBUTION

The third quarterly distribution on Income shares of National Association of Almshouses Common Investment Fund for the year ending November 1, 1971, will be 0.625p gross per share, payable on August 31. This makes to date 1.825p and it is anticipated the total for the year will at least be maintained at last year's level.

117 AMALGAMATION

Cavalier Securities and Janus Securities, both part of 117 Group Unit Trusts, announce that the proposed amalgamation of Janus Income Fund with Cavalier Income Fund was approved at meetings held July 29, and the Scheme of Amalgamation submitted was duly adopted. The amalgamation became effective on August 2, 1971.

Unitholders of Janus are entitled to units of Cavalier on the basis of 84.562 Cavalier Income units for every 100 Janus held August 2, and pro rata.

Good second quarter at R. Dutch-Shell

THE balance of net income of the Royal Dutch-Shell group of companies for the second quarter of 1971 was £105.6m., an increase of 15.7 per cent. over the second quarter of 1970.

This brought the total for the first half of the year to £212.5m., a rise of 15.5 per cent. on the same 1970 period.

The volume of sales of crude oil and oil products outside North America during the quarter was 2.4 per cent. higher than in the second quarter of 1970, the directors state. The increase in the quarter's results compared with the corresponding figure for 1970 follows the pattern reported for the first quarter.

In the chemical business worldwide, a slowdown in the rate of growth of demand led to overcapacity in many sectors and the sharply increased costs were not recovered in selling prices.

Total revenues were up by 17.4 per cent. to £1,290.5m. for the second quarter and by 19.6 per cent. to £2,661.1m. for the six months. Costs and expenses, tax, etc., went up by 17.7 per cent. and 20.1 per cent. respectively, to £1,184.9m. and £2,436.6m.

Parent company equity in the balance of group net income for the second quarter was—Royal Dutch Fls.4.11 (3.55) per Fls.20 Ordinary share, and "Shell" Transport 7.65p (6.61) per 25p share. For the half year the figures were Fls.8.27 (7.16) and 15.30p (13.32) respectively.

	Second quarter 1971 £m.	Second quarter 1970 £m.	First half 1971 £m.	First half 1970 £m.
Revenues:				
Sales proceeds	1,750.7	1,575.1	3,417.3	3,128.3
Sales taxes, excise duties, etc.	537.2	533.5	1,103.1	1,023.3
Leavings	1,213.5	1,041.6	2,315.2	2,105.0
Other operating revenues	30.1	28.1	79.1	51.2
Shares of earnings, after tax, joint prod. and other associated companies	26.1	23.7	52.8	46.8
Interest and other income	6.8	10.8	14.0	21.1
Total	1,290.5	1,104.2	2,461.1	[illegible]
Costs and expenses:				
Purchased oil, chemicals and metals, including from associates	480.1	317.9	793.8	634.9
Operating, selling and administration	454.1	443.9	1,050.1	907.7
Exploration and research	43.5	39.4	84.8	78.2
Depreciation, depletion and amortisation	94.5	79.4	187.0	159.7
Interest long-term debt	13.5	10.1	26.1	20.4
Tax on income	144.8	104.6	279.2	205.6
Minorities	4.4	11.6	13.6	21.6
Net income	111.6	97.3	224.5	194.0
Additional depreciation	6.0	6.0	12.0	12.0
Balance net income	105.6	91.3	212.5	184.0
FINANCIAL DATA				
Capital expenditure	190.6	165.4	312.9	256.4
Cash and short-term securities, June 30			491.3	517.1
Long-term debt, June 30			906.7	857.3
OPERATIONAL DATA	thousand barrels daily		thousand barrels daily	
Gross production crude oil	4,653	4,162	4,805	4,132
Net production crude oil	4,177	3,768	4,126	3,674
Crude purchased under special contracts	933	977	905	914
Crude processed	5,039	4,895	5,084	4,936
Sales crude and oil products	5,704	5,360	6,102	5,929
	m. cubic feet daily		m. cubic feet daily	
Sales natural gas	5,274	4,567	5,660	4,981

The operational data represent 100 per cent. of consolidated companies' figures plus the group proportion of associated companies' figures.

See Lex

BIDS AND DEALS

Norvic Shoe expects not less than £500,000

An offer of 55p a share for Norvic Shoe would be "wholly inadequate," said the Board and its financial advisers Hill Samuel yesterday.

At the same time, chairman Mr. R. Parker produced an estimate that pre-tax profits for the year to June 30, 1971, would be not less than £500,000, compared with £36,000 for the previous year. The tax charge would be virtually nil.

Shareholders were recommended not to sell until they have received the Board's considered advice on "any offer that may be posted."

Mr. Christopher Selmes, managing director of Drakes, which has 28 per cent. of Norvic and says it will bid for the rest, maintained he was "very cynical" about the earning power of Norvic until he could see a breakdown of the profits estimate.

Hill Samuel maintained that the estimate did not include any contribution from property sales by Norvic. Norvic shares closed last night at 62p, up 6½p.

● **comment**

Norvic's forecast in reply to the Drakes bid (originally 49p) looks realistic given the trend of the past three half-years: a loss of £60,000 followed by pre-tax profits of £120,000 and £165,000. But the last time Norvic managed to pass the £½m. mark was in 1964-65 so an exit p/e of 19¾ (fully taxed and assuming unchanged minorities) at 55p might seem generous enough for a shoe company. But since Drakes has to produce a higher bid (at least 55p since it has bought in the market at this level), shareholders should await this and the "considered advice" of the Norvic Board. The market, at any rate, is expecting an improvement in the terms as the Norvic shares jumped 6½p yesterday to 62p.

MILLAR & LANG

Scottish hotelier, Mr. G. Curry, and associates are planning to make a whole or partial offer for the Ordinary capital of Millar and Lang, which is quoted on the Scottish Stock Exchange.

The value per share would be in excess of the current offer from Mount Securities but would be dependant upon support of the M and L directors, who hold around 36 per cent. of the capital.

Mr. Curry and his associates at present hold 455 shares. He emphasises that the deal is completely separate from his Clydesdale and Commonwealth interests. He would hope to use M and L as a base to buy up other companies and build up a small industrial holding company.

More bids Page 16

ISSUE NEWS

D.fls.60m. for New Zealand

New Zealand intends to privately place to a maximum amount of DFls.60m. 7½ per cent. 7-year Dutch Guilder Notes at 99½ per cent. to be redeemed in four equal annual instalments on September 15 of the years 1975 to 1978 inclusive. The issue will be made through a syndicate headed by Amsterdam-Rotterdam Bank, S. G. Warburg and Co., Algemene Bank Nederland, Bank Mees and Hope, and Pierson Heldring and Pierson.

The Notes are payable to bearer and interest is payable annually on September 15. The Notes are not being offered in the U.S.A., to U.S. persons, or to residents of the Netherlands, and they will not be listed on a Stock Exchange but a market will be maintained for non-residents of the Netherlands.

The proceeds of the issue will be used for national development.

ALPINE-EVEREST

The Alpine-Everest Group intends to apply for a London quotation within the next two years. Samuel Montagu and Co. has been appointed as merchant bankers to the group.

The group is involved in the home improvements market with Alpine Double Glazing, the Everest deep freezer and frozen foods service, home extensions and cavity wall insulation.

BRENTNALL BEARD HOLDINGS

Dealings are expected to start on Monday on the London Stock Exchange in Brentnall Beard (Holdings), which have previously only been quoted on the Northern Stock Exchange.

S. & W. BERISFORD

S. and W. Berisford announced that at an EGM, held yesterday, an increase on the authorised Ordinary share capital of £500,000 (2m. Ordinary 25p shares and an alteration in the articles of association to provide for an increase in the borrowing powers were approved.

Debenhams first half turnover up

ALTHOUGH trading at Debenhams' retail stores had suffered from the recent warm weather, turnover was up by some 9 per cent. in the first 26 weeks of the current year, chairman Sir Anthony Burney reported at the annual meeting.

He emphasised that this represented little, if any, increase in true volume because of higher prices over the past 12 months. It must also be viewed against a background of increased expenses.

"Nevertheless, all of us on the Board hope that at the end of the year we shall be able to regard the outcome as satisfactory," Sir Anthony told shareholders.

As a result of the halving of SET, the group would pass on to customers in the current year a saving of about £400,000, partially offset by other rising expenses. Sir Anthony observed that this amounted to less than one new penny for every £ of goods sold.

The Mini-Budget cuts in purchase tax would be beneficial both to the company and its customers, although in the short term Debenhams would have to bear the cost of tax already paid. The group preferred to concentrate on larger, selective price cuts, rather than across-the-board reductions.

Two shareholders who objected to last year's contribution by the group of £5,000 to the Conservative Party were told by the chairman: "It was the unanimous view of the Board that this was proper and desirable expenditure."

During the next 12 months, the administrative offices would be moved from the group headquarters at Debenham and Freebody in Wigmore Street, Westminster, to nearby Marshall and Snelgrove. Redevelopment of that "key" site would then be considered. A report was awaited from consultant architects.

After the meeting, referring to the possible redevelopment at Debenham and Freebody, Sir Anthony said he envisaged a trading area "plus whatever is suitable for the site." He added: "We are considering every possibility with the aim of maximising profitability of the site."

At an extra-ordinary meeting, shareholders approved by 42 votes to four a share incentive scheme for senior executives. Sir Anthony said he had proxies from holders of nearly 4m. shares in favour of the scheme and about 40,000 against.

Four shareholders criticised the scheme. One said it was "a nonsense" if executives could not improve the company's profits on their present salary. Another asked for "this travesty" to be referred back for further consideration and described the scheme as "an expensive financial carrot."

Sir Anthony said the shares would be issued at market price and only if current profitability increased would incentive shareholders benefit. He declared: "I do do not believe that in periods of high taxation it is sufficient to remunerate top executives purely by means of salary. It is much more appropriate to approach this as we have." The chairman pointed out that even if all the incentive shares concerned were issued, they would amount to only 4 per cent. of the equity at most.

Berrow's expects same profit

NEWSPAPER proprietors, printers, etc., The Berrow's Organisation expects its profit for 1971 to approximate the £420,470, pre-tax, of 1970.

First-half profit increased from £200,000 to £225,000, but the directors anticipate more difficult trading conditions in the second half.

Net profit for the half-year was £135,000 (£110,000), after depreciation £26,000 (£30,000) and tax £90,000 (same).

The group has had to contend with steadily increasing costs and results are therefore considered to be satisfactory, the directors state.

An unchanged interim dividend of 10 per cent. is declared. The 1970 total was 31 per cent. The company is a subsidiary of the News of the World Organisation.

Sketchley

The major part of the 13.17 per cent. stake in Sketchley sold recently by Great Portland Estates was bought by Hambros Investment Services for investment clients.

This was revealed by Sketchley chairman, Mr. E. P. Clarke, at the annual meeting yesterday. He referred to the sale by Great Portland of 400,000 Ordinary and 400,000 "A" of Sketchley and stressed "the sole reason this company sold these shares was that property and investment and not dry cleaning is their principal business.

"You may be interested to know that, apart from 75,000 of the "A" shares, Hambros Investment Services have bought these shares for investment clients.

Premier Investment

Net revenue, before tax, of Premier Investment amounted to £300,100 for the six months to June 30, 1971, after increased loan capital interest, compared with £343,400 for the corresponding 1970 period, and with an adjusted £777,442 for the year 1970—the last accounts were for 11 months.

The interim dividend is maintained at 8 per cent. and the directors are keeping to their forecast of a total of 26 per cent. for 1971—approximately equal to the 24 per cent. paid for the previous 11 months.

As at June 30 the value of investments and net current assets amounted to £20,472,000 (£18,398,085 at end 1970), and the net asset value of 25p Ordinary 174p (154p).

The increase in loan capital interest for the half-year is due to a full six months' interest on the 7½ per cent. Convertible Unsecured Loan Stock 1993 (just under three months). The net asset value has been calculated as if the 7½ per cent. Convertible 1993 had been converted at the rate ruling in 1977 (the first conversion year), of 160p Stock for each Ordinary. Debenture and Preference stocks have been deducted at nominal values. No account has been taken of any liability to capital gains tax which might arise on future disposals.

	6 months 1971 £	1970 £
Gross income	400,900	421,100
Management ex.	20,600	20,200
Loan Cap. interest	96,200	57,500
Net rev. before tax	300,100	343,400
Preference int.	27,500	27,500
Ordinary int.	169,630	158,630

R. Paterson

Pushing ahead with its programme of diversification into a wider range of food products, R. Paterson and Sons, the old-established "Camp" coffee and instant coffee manufacturers of Glasgow, is working in close association with the Department of Food Technology at Strathclyde University.

Mr. J. C. Paterson, chairman, told shareholders at the annual meeting yesterday that it was the first company in Scotland to make use of the new facilities started up at Strathclyde to aid business expansion.

One could not expect new products to become a viable proposition in the short term but they would certainly add to profits in the long term. One new product was being tested out on the trade at present and another introduced in the autumn.

Mr. Paterson said he looked forward to further progress and an increasing volume of business.

Meeting, Page 14

CAROLINA TEA

The quotation for the 8 per cent. Cumulative Preference shares of Carolina Tea Company of Ceylon was cancelled from 9.30 a.m. yesterday.

The position of the company is such that an adequate market in these shares cannot be maintained, it is stated.

Applications to make specific bargains under rule 163 (2) may be submitted.

Mullard profit growth

From sales up £16.38m. to £76.14m. in 1970, profit of Mullard, the electronic components company, has risen from £894,000 to £2.9m. The fob value of exports increased from £10.3m. to £20m.

The profit was struck after £148,000 (£131,000) loss on disposal of fixed assets, and £9,000 ex gratia payment to a former director.

General capital reserve has been increased by £4.09m. comprising: £2.32m. net surplus on revaluation of fixed assets; £1.78m. surplus over cost of shares in Mullard Blackburn Works arising on the liquidator's distribution.

Outstanding capital expenditure aggregated £9.76m. (£4.3m.), of which £5.73m. (£2.25m.) had been contracted.

Philips' Lamps is the ultimate holding company of Mullard.

Lye poised for expansion

The chairman of the Lye Trading Company, Mr. F. C. Kitson, finds it difficult to estimate current-year results but says trading is at the same level as in 1969-70, and long-term prospects are good. "We now have a strong and well-organised base for expansion," he states.

Against the midway forecast of at least the same profit as the previous year, conditions in the last few months deteriorated and, despite a considerably increased turnover, group profit for the year ended March 31, 1971, was £315,468 (£370,298). The dividend is 15 per cent. (same).

The prolonged strike at the B.S.C. Tinplate Works last autumn created "havoc" with supplies in South Wales, considerably affecting profit, reports the chairman. At Lye various strikes, car industry, postal and engineering and power cuts seriously affected results during a period when it has been impossible to contain costs.

Progress at the new plant at Lye has been very much slower than anticipated, due to unforeseen mechanical and handling problems. However, adjustments now in their final stages will enable the group to be fully prepared for any up-turn in trade.

Cheap imported steel is eating into margins, Mr. Kitson continues, but the group is pursuing a policy of buying substantially from BSC and looks to Common Market entry to regularise prices.

To cope with any increased demand, total distribution from Lye and Leeds would not be possible he states, and warehouses have recently been taken over for storage and distribution at Staines for London and Southern trade and at East Kilbride for Scotland.

There is still no immediate financial problem but again one hopes that the climate for the raising of more permanent capital will be such as to enable this in the not too distant future, the chairman concludes.

At March 31 the chairman was beneficially interested in 670,394 shares of 10 p and 1,284,401 non-beneficially. Mr. M. W. Kitson's interests were in 626,443 and 1,398,307 respectively.

Meeting, Birmingham, August 27, noon.

Horace Cory

Chemical colour manufacturers, Horace Cory and Co., is lifting its interim dividend from 5 per cent. to 5½ per cent. for 1971. Last year's final dividend was 9 per cent.

Pre-tax profits in the first six months improved from an adjusted £74,600 to £78,000. After tax of £31,000 (£32,500) the net profit was £47,000 against £42,100.

In all of 1970 the pre-tax profit amounted to £151,238.

Midland Trust pays 3% more

Directors of the Midland Trust are recommending a final dividend of 19 per cent. to raise the total from 28 per cent. to 31 per cent. for the year to June 30, 1971.

Profits for the year increased from £131,575 to £143,143 before tax of £57,095 (£54,966).

ICFC STAKE IN CRANE'S SCREW

The Industrial and Commercial Finance Corporation has acquired 22.8 per cent. of the equity of Crane's Screw (Holdings) in a private transaction with certain shareholders. Crane's, which is quoted on the Midlands and Western Stock Exchange, manufactures screws, castors, and fasteners.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield %	P/E Ratio
[illegible]5	F.P.	3/9	82	76½	Allied Polymer	76½	.....	b18	1.3	5.9	13.2
•	F.P.	—	161	150	Berwick Timpo (5p)	161	.....	b6	2.6	3.7	10.2
[illegible]3	75	15/12	89	87	Border & Southern Conv.	82	.....	—	—	—	—
•	F.P.	11/6	150	132	British & Can. Inv.	141	+1	9	—	1.6	—
—	—	—	136	99	Burton Grp. Warrants	124	−2	—	—	—	—
[illegible]58	F.P.	21/7	43½	40½	Coley-Rotolin Grp.	40½	−½	b10	1.7	6.2	9.5
•	F.P.	30/7	59	50	Commodore Secs.	53	−1	b12	2.2	2.4	19.6
[illegible]4	F.P.	—	61	55	Cosalt	55½	.....	b15	1.2	6.8	8.1
[illegible]10	F.P.	11/8	96½	90½	Evans of Leeds	96½	.....	[illegible]	1.4	3.9	18.1
[illegible]4	F.P.	27/8	56	52	Forminster 10p	54½	.....	b3¾	1.4	6.9	10.4
[illegible]10	F.P.	5/8	105½	97	Glendevon Inv.	100	−½	b2	—	3.0	—
[illegible]10	F.P.	5/8	113½	100½	Do. Do. "B"	108	3	—	—	—	—
[illegible]2½	F.P.	—	240	120	Jessel Trust	225	.....	—	—	—	—
[illegible]0	F.P.	3/9	125	112	Kettering Motor Serv 10p	115	−1	b40	1.6	3.5	17.4
[illegible]2	F.P.	27/8	62	55	Lawdon (10p)	60	.....	b35	1.8	5.8	[illegible]
[illegible]0	F.P.	4/8	45½	35	Lincroft Kilgour (10p)	37	+1½	b27	1.6	7.3	7.0
•	F.P.	11/8	260	240	Matthews Wright'n 20p	240	−4	b40	1.5	5.3	15.9
—	F.P.	—	70	65	Micklow (A. & J.) Dfd.	70	.....	—	—	—	—
[illegible]2	F.P.	26/8	86	72	NSS Newsagents (10p)	77	−2	b22½	2.2	2.9	15.2
—	F.P.	—	86	76	Schlesinger (B)	76	−2	t4.2	—	3.2	—
[illegible]0	F.P.	16/7	111	97	SPLIT Inc. (10p)	106	.....	77.2	—	7.3	—
[illegible]0	F.P.	16/7	106½	91¼	Do. Cap. (10p)	97½	−2½	—	—	—	—
[illegible]8	F.P.	13/9	68½	66	Thanet Inv. with W'nts	68½	+2½	—	—	—	—
[illegible]0	F.P.	7/7	91	80	[illegible] Group (5p)	89½	.....	[illegible]	1.5	2.6	25.7
—	F.P.	10/9	35	25	Tower Assets (10p)	32½	.....	[illegible]	2.1	2.3	20.3
5	F.P.	[illegible]	[illegible]	71	Tranmer Grp. (10p)	75	.....	b40	1.7	6.3	11.5
71½	F.P.	—	18	16½	Wright-Scriven (12½p)	16¾	.....	b12	1.5	9.0	7.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
[illegible]00	F.P.	—	99	98	Arlesse 8% Guar. SBds. 1986	99	.....
[illegible]00	F.P.	—	99½	99	Do. 8½% Guar. 6 Notes 1976	99½	.....

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. [illegible]

HEPWORTH CERAMIC
HOLDINGS LIMITED

Profits increase 11·6% in mixed trading conditions

"We have come successfully through a difficult period in our development . . ."
John F. Booth (Chairman)

The Annual General Meeting will be held on September 3rd 1971 in London. The following is the Statement by the Chairman Mr. John F. Booth which has been circulated with the Report and Accounts.

In making my second Statement to the shareholders of Hepworth Ceramic Holdings Limited I am able to report a 21.3% increase in turnover and an 11.6% increase in pre-tax profit as compared with the previous year.

The terms of the merger between The Hepworth Iron Company Limited and General Refractories Group Limited foreshadowed a total dividend of 7½% for the year ending 31st March 1971. In the light of these results, however, your directors are recommending a final dividend of 5½% which, together with the interim dividend of 2½% already paid, makes a total of 8% for the year.

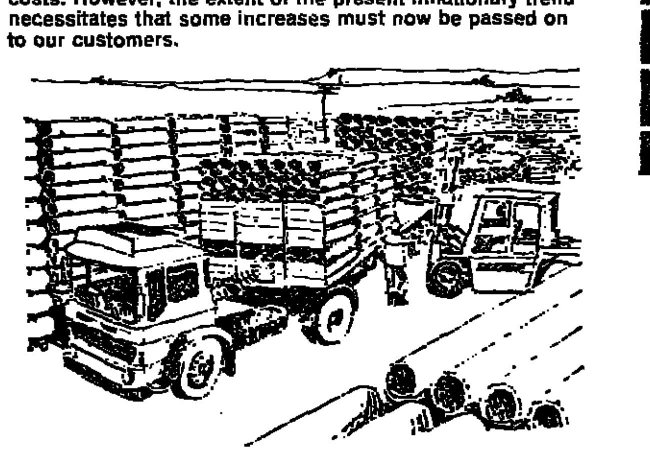
Refractories were particularly buoyant largely as a result of the high level of steelmaking activity throughout the world until the turn of the year. On the other hand the building industry, which is a major market for our vitrified clay pipes, remained depressed until the early spring of the current year when an upturn in demand was registered.

In plastics the year was for us very much one of acquisition and consolidation. This phase is now complete – though I do not by any means rule out further acquisitions – and we have today an organisation capable of moving forward progressively. Industrial sand made steady progress, as it continues to do year after year, despite some reduction in demand from the foundry industry during the last quarter of the year. Our engineering interests, although a relatively small percentage of the overall Group activity, nonetheless showed some notable advances in certain projects and made a usefully improved contribution to earnings.

PIPES & ANCILLARY PRODUCTS

Clayware

Trading conditions were difficult throughout most of the year, due largely as I have indicated to the continued depressed state of the building industry. The resulting over-capacity caused fierce competition for business and a consequent further narrowing of margins. Although we succeeded in increasing turnover by more than 10%, profits were slightly lower, due in considerable measure to the fact that for many years we have largely absorbed increases in costs. However, the extent of the present inflationary trend necessitates that some increases must now be passed on to our customers.



The programme of production rationalisation foreshadowed in my previous Statement was continued through the closure of selected older works. This policy enabled us to increase outputs from our modern tunnel kiln units and thereby minimise the effects of steadily rising costs. In the Interim Statement issued in November last year it was stated that this closure policy would result in £600,000 being written off in the course of the financial year. In the event the surplus, either realised or anticipated against professional opinion, from land released for disposal has completely offset this item and no charge arises in the accounts.

Since early Spring sales have shown a substantial increase over earlier periods, this improvement being helped by the mild winter. In particular sales of HepSleve, our plain end flexible jointed pipe, have been up to our highest expectations. Moreover, the recent revival in the private house building programme, requiring more underground drainage than the type of construction carried out by public authorities, should be to our advantage.

Plastics

Your Board considers plastics to be a growth industry and in the year under review our interests in this field have been greatly expanded. We have acquired from Ideal-Standard Ltd. their subsidiary company Soilpipes Limited which operates in the same soil, waste and rainwater market as Bartol Plastics. We also acquired from Thermo Plastics Limited, a subsidiary of Arthur Guinness Son & Co. Ltd., their "Aspect" business which competed with Bartol Plastics in the systems market.

Hepworth-Polva Plastics Limited is engaged primarily in the extrusion of PVC pressure pipe and, in common with all other such companies in the U.K., has operated in a very depressed market. During the past year, however your Board has been engaged in a great deal of rationalisation of its activities, and additionally has entered into a capital re-equipment programme which when completed by the early autumn of this year will make the Hepworth-Polva extrusion factory the most up to date in this country. We purchased additionally from Thermo Plastics Ltd. their "Aspect" sheet line extrusion business, which will be carried out by Hepworth-Polva. Also we have recently acquired from the British Steel Corporation the business of PVC extrusion previously carried on under the name of Stewarts & Lloyds Plastics.

To extend and widen our interests in this industry we have since our year ended purchased Ideal-Standard's two subsidiary companies, Bathtubs Ltd. and Cisterns Ltd. and we have also acquired the share capital of J. W. Gaunt (Sanitary Fittings) Ltd., whose business is complementary to those companies. I am pleased to say that Mr. J. W. Gaunt has agreed to continue his association with the management of the company.

Having regard to our acquisitions and general expansion in this field we decided in December last to set up as a holding company for all our plastics interests a wholly owned subsidiary known as Hepworth Plastics Limited. This company has since been incorporated and the plastics operations are now organised as a separate and integrated division of the Group responsible through its own Chairman and Chief Executive to the Group main board.

REFRACTORIES

The financial year under review has been the first in which our refractories trading has been carried out under the banner of GR-Stein Refractories Ltd., which was formed on 1st April 1970 to integrate General Refractories Ltd. and John G. Stein & Co. Ltd.

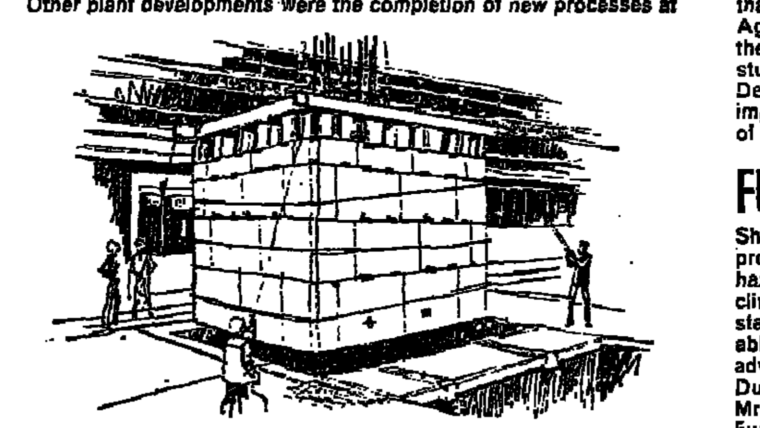
Whilst we still have much to accomplish, I am happy to report that this integration, although highly complex, was achieved without serious disruption. Throughout the year progress has been made in the development of an efficient, unified manufacturing and marketing operation.

Virtually all the markets we serve have been very active throughout the major part of the year, and our own trading has been excellent. In recent months, however, there have been definite signs of a slowing down in this level of activity and a consequent destocking of refractories, particularly on the part of our principal customer the British Steel Corporation. Our order books which have been full for so long are shrinking, and the very extended deliveries we were having to offer are now shortening.

These days it is almost impossible to read a Chairman's Statement which does not comment on substantial increases in the costs of raw materials, wages and all services. Unfortunately, I too have to say that during the past year in all divisions of the Group, but particularly in refractories, these have borne heavily upon us, leading to increases in the production costs of every product in our range. To combat this, we have necessarily had to increase selling prices. It is a cycle of cause and effect the end to which is certainly not in sight. Moreover, with a capital intensive operation, any significant reduction in our level of capacity working will bring even greater pressures on costs.

Notwithstanding the long delivery times to which I have referred, and pressure of demand from the home market, we were able to maintain the level of our exports. With the prospect before us of a reduction in the demand from the home market, however, we are taking active steps to intensify our marketing effort abroad. For although we are the largest U.K. exporter of refractory bricks and blocks, our share of world markets is small. Only a small additional percentage of the EEC market would ensure the full utilisation of our plants in the years that lie ahead, even taking cognisance of a lessening of demand from the British Steel Corporation due to changes in steelmaking technology.

Turning now to plant development, we completed in the course of the year Phase II of the plant at Worksop designed to anticipate the future requirements of the British Steel Corporation for oxygen converter linings. We also expended a substantial sum of money on improvements to the firebrick plants in Scotland, with the object of increasing output and raising the quality level beyond the reach of all our competitors. The possession of substantial reserves of high grade Scottish fireclay is one of our major assets, and it is our intention to exploit this to the full in home and overseas markets. Other plant developments were the completion of new processes at



the Halifax plant for the manufacture of insulation bricks, a new plant incorporating a modern tunnel kiln at Castlecary for the manufacture of blocks for night storage heaters, and the commencement of a £1.5 million investment in a major installation at Bawtry for the production of carbon cathodes for the aluminium industry and carbon blocks for the ironmaking and chemical industries. World production of aluminium is growing rapidly, and we believe that our plant is being introduced at a particularly opportune time to secure a worthwhile share of this market.

RESULTS
Year ended 31st March

	1971 £'000	1970 £'000
Turnover	60,655	49,986
Profits		
Pipes and Ancillary Products	2,886	3,105
Refractories	3,067	2,106
Industrial Sands	1,701	1,443
Engineering and Miscellaneous	283	138
Total Trading Profit	7,937	6,792
Less Interest Charges	972	549
Profit before Taxation	6,965	6,243
Dividends	1,736	1,711
Net Assets Employed	41,392	37,380
Earnings per Share	4.7p	4.0p
Numbers Employed	11,600	11,500

Growth Record

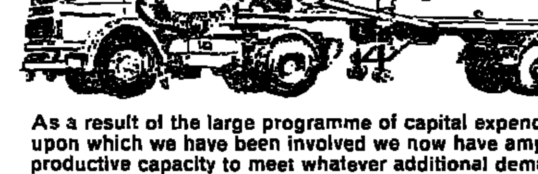
Amounts in millions of pounds

	1967	1968	1969	1970	1971
Equity Capital Employed	13.77	17.01	28.43	28.57	32.53
Profits before Tax	2.90	4.12	5.21	6.24	6.97
Profits after Tax	1.68	2.28	2.85	3.40	4.04
Ordinary dividends	0.73	1.26	1.57	1.71	1.74
Retained Profits	0.95	0.87	1.20	1.51	2.65
Depreciation	1.21	1.84	2.27	2.61	3.09

INDUSTRIAL SANDS

British Industrial Sand Limited, with 15 quarries sited throughout the British Isles, supplies the major proportion of all sand used in British foundries and glass works and new records once again have been achieved because demand from those industries remained at a high level during most of the year.

In addition to its two principal markets the Company supplies a basic raw material – often to very exacting specifications – to a number of other industries and during the year fresh ground has been broken in an important section of the potteries industry. Our plant at Oakamoor, North Staffordshire, is situated virtually on the edge of The Potteries and as a result of extensive research we have developed products which will provide a local alternative to materials hauled hitherto over long distances and sometimes from abroad. Also at Oakamoor we have completed erection of a new benefication plant at a cost of £1¼ million, which we believe to be the most sophisticated of its kind in the world. With a plant containing so many novel features, some teething troubles were to be expected and it will be early autumn before the plant settles down to its full rated output. Another major extension to our manufacturing facilities has proceeded satisfactorily at the King's Lynn works, as a result of which from September this year we shall have doubled our capacity for the production of resin-coated sands. The name Feslente under which this product is marketed has, through the operations of our licensees, become a household word in foundries in many parts of the world and during recent weeks we have been commissioned to advise upon the design and erection of a new and substantial plant in South Africa. We have continued to extend facilites for the supply and delivery of our materials in bulk tankers, necessitating a substantial enlargement in our road transport fleet.



As a result of the large programme of capital expenditure upon which we have been involved we now have ample productive capacity to meet whatever additional demands may be made upon us. It has to be recorded, however, that in recent months there has been a noticeable lessening in demand from foundry customers as a result of the cut-back in investment programmes of some basic industries. The unwelcome prevalence of strikes in some of the industries we serve, sometimes of protracted duration, has also inevitably taken toll of demand. Given some reflation of the economy and more stable industrial relations, however, we have the facilities and the skills to move forward to further records.

ENGINEERING AND MISCELLANEOUS

Most of the companies in this section increased their profits, particularly The Hepworth Iron Co. (Engineering) Ltd. which produces machine tool controls. In this subsidiary it is expected that the long term development on its product range will create a demand sufficient to offset the generally depressed level of trade in the machine tool industry. During the year we introduced an automatic multi-pass copying system of advanced design and a sophisticated two axis copying control to supplement our existing range.

North Derbyshire Engineering Co. Ltd. the company producing the Norde rubber sprung vehicle suspension doubled its turnover and profits and should continue to grow.

LIQUIDITY

Your Board has continued to give close attention to the overall liquid position throughout the year. Despite the apparent excellence of the cash flow resulting from the level of profitability and monies retained through depreciation charges, our outflows were substantially greater. This resulted first from the high level of capital spending to combat the consequence of technological change in user industries and to raise productivity, and secondly from substantially increased working capital requirements largely brought about by the major inflationary trend which developed. Many companies have now come to realise that a rapid deterioration in the spending power of money brings in its train an investment in raw materials and other stocks rising always ahead of the increased cash receipts from sales, and brings also pressure for extended credit to customers who in their turn are finding themselves short of working capital. Consequently, as you will notice from the Consolidated Balance Sheet, our debtor balances have increased substantially, although it has also to be said that at that date they were still reflecting the aftermath of the postal strike. Against this background, and the company's development plans, the question of raising further permanent capital has received close study. As a result it was decided that this should take the form of a Debenture Stock placing and the decision has in fact been implemented by our merchant bankers on 12th July with the placing of £7,500,000 10.4% Debenture Stock on our behalf.

FUTURE OUTLOOK

Shareholders naturally will want to know something of the future prospects of the Company. Forecasting, however, is an inexact and hazardous science and never more so than in the present industrial climate. Whilst in the short term we have to operate in a largely stagnant economy, I am convinced of the Company's strength and ability, not only to do this successfully but what is more to take advantage of the many opportunities which the future offers to us. During the year we have been fortunate in bringing to the Board Mr. Stanislas Emsens, a leading producer of industrial sands in Europe and for many years a director of British Industrial Sand and General Refractories Group. With his wide knowledge of European affairs he will make a valuable contribution to our efforts further to expand our overseas activities.

We have come successfully through a difficult period in our development due in no small measure to the efforts and loyalties of management and employees at all levels. To them all I express my appreciation.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

$100m. multi-currency credit for Goodyear

THE GOODYEAR Tyre and Rubber Company, of Akron, Ohio, and Manufacturers Hanover have announced that a syndicate of 32 banks has signed a credit agreement with Goodyear that will provide it with a $100m. multi-currency revolving credit.

The credit will be available in London in dollars and other freely convertible currencies. The proceeds will be used for Goodyear's general corporate purposes on a world-wide basis.

The 32 banks in the syndicate are from Canada, the U.K., France, Germany, Luxembourg, The Netherlands, Switzerland and the U.S.

Goodyear, one of the world's largest producers of rubber products, is primarily engaged in the manufacture and sale of motor vehicle tyres, tubes and other related products. In 1970, consolidated world wide sales amounted to just under $3,200m. Net income in that period was $129.2m., of which $55.4m. was contributed by foreign subsidiaries.

For the six months ending June 30, 1971, consolidated sales were an all-time record $1,763.48m., while after-tax earnings of $80.4m. were the highest for any initial six-month period in the company's history. Net income from foreign operations increased to $26.6m. from $23.7m. in the first six months of 1970.

BAHRAIN BUYS ICE PLANT FOR JUMBO TRADE

BAHRAIN, Aug. 5.

AN ORDER for a $50,000 dry ice plant has been placed with Iron Gate Company, of New York, by Ahmadi Industries here. The dry ice is needed to fulfil the requirements of the Jumbo jets which are expected to arrive here in increasing numbers by the end of this year. It is understood that Qantas has already placed an order for 2,000 lbs of dry ice weekly after the plant comes into operation next December.

● TOYOTA MOTOR SALES COMPANY, sales division of Toyota Motor Company, said after-tax profit in the half-year ending September 30 will probably rise to over Yen 5,000m. from Yen 4,870m. in previous six months. Total sales are likely to rise to Yen 550,000m. from Yen 486,000m.

Leasco earnings up sharply

By Jurek Martin

NEW YORK, August 5.

LEASCO Data Processing to-day reported sharply increased earnings in the third quarter of its financial year. Leasco, which has had its problems of late, said that in the three months ending June 30, it had an operating profit of $7.59m., or 47 cents a share, up from the $2.89m., or 17 cents a share in the same period last year.

Leasco's total profit, operating income plus other contributions, came to $8.16m. (50 cents a share) compared with $1.12m. (seven cents a share).

For the nine months of its fiscal year so far, net income has amounted to $26.56m., or $1.67 a share, including extraordinary gains equivalent to 18 cents a share. In the 1970 fiscal year net income was only $8.08m., or 54 cents a share, after an extraordinary charge of over $7m. Results for the year 1970 have been re-stated to reflect changes in the methods of accounting.

The increase in revenues this year is nothing like as dramatic as the increase in profits. In the third quarter, total revenues came to $148.47m., up from $136.77m. last year, and in the first nine months to $437.78m. from $391.46m. Nevertheless, Wall Street was sufficiently impressed by the general figures for Leasco to be a leader of this morning's advance, with the share price quickly putting on more than $1.

Major foreign banks to set-up in Singapore

BY OUR OWN CORRESPONDENT SINGAPORE, August 5.

SINGAPORE'S role as an important regional financing centre was enhanced to-day by the Government's approval for the establishment here of branches of six foreign banks.

These are Banca Commerciale Italiana, Banque Nationale de Paris, the Deutsch-Asiatische Bank, the Deutsche Asien-Pazifik Bank, Pakistan's Habib Bank and Moscow Narodny Bank.

In a statement, the Monetary Authority of Singapore said "it is anticipated that all the banks named will be in a position to commence banking business within the next six months. Apart from certain restrictions relating to the collection of domestic deposits, these banks will offer normal banking services, although particular emphasis will be given towards promoting international banking activities."

The monetary authority added that the emphasis on promoting international banking activities was in line with the Government's recent call for Singapore to become the money market of south-east Asia.

Sources said the six concerns were also likely to be encouraged to take part in the growing Asian dollar market.

Bank of China branches transferred to Pakistan

BY OUR OWN CORRESPONDENT KARACHI, August 5.

CHINA has agreed to transfer to Pakistan the ownership of two branches of the Bank of China situated in Karachi and Chittagong. An agreement exchanging letters of transfer between the two Governments was signed at a brief ceremony at the Foreign Office in Islamabad this morning.

Chinese Ambassador Chang Tung and Pakistan Foreign Secretary Khan initialled documents on behalf of their respective Governments. The transfer of these two branches is officially interpreted as a significant gesture of friendship to Pakistan and an appreciation by the Chinese authorities of the role played by the State Bank of Pakistan in promoting trade relations between the two countries. With the transfer of these two branches to the Pakistan Government, all Chinese accounts will henceforth be operated through Pakistani banks. The present exchange of letters is to be followed up by protocol between the Bank of China and the National Bank of Pakistan in which financial and administrative details will be spelt out.

EURODOLLAR BOND MARKET

Secondary sector suffering

BY WILLIAM F. LOW

THE RENEWED uncertainty over the fate of the dollar is the latest in a series of events which have combined to confront the Eurodollar bond market with probably the most serious crisis in its short (seven years) life. Indeed, some bankers believe the market, which is arguably the largest capital market outside the U.S., is now on the brink of total collapse.

In the last few days, prices of dollar bonds have fallen over a wide front by an average of four or more percentage points and the Bondtrade indices for medium and long-term straight-debt issues are now at their respective "lows" for the year. Traders report that buying interest is almost non-existent, while many investors are cutting their losses and selling large quantities of bonds.

Crises are not new to the Eurodollar bond market. Apart from the various currency upheavals which have affected the market since 1967, internal strains have caused equally serious problems. One of the most frequent of these self-generated difficulties is when too many issues come to the market at the same time, resulting in a severe bout of indigestion. This week, for example, a total of $105m. of new straight loans have been announced—an amount some operators consider is too large for the market to absorb without difficulty.

Fragility

An even greater problem, however, concerns the fragility of the secondary market. Although the value of new issues has increased by over $4,000m. in the last two or three years, the number of traders has actually declined. In basic terms, this means that the investor in Eurodollar bonds to-day finds it more difficult to buy and sell bonds than he did three years ago.

The reason for the reduction in the number of active traders is quite simple — lack of profitability. During the past two or three years, several banks and brokers have decided that the cost of maintaining a professional trading operation could not be justified by the tiny or negative return on capital employed. Accordingly, these houses have confined themselves to dealing only with regular clients and even then often only on a negotiated price and volume basis.

Until last month, there were still about six houses willing to trade with other professionals on a day-to-day basis. While there is room for argument on exactly who these six were, they certainly included Bondtrade, the Brussels-based consortium. However, at the beginning of July, Bondtrade announced that it would no longer make a market in convertible (equity-linked) bonds.

Rumours

Ever since the announcement by Bondtrade, the secondary sector has been buzzing with rumours as to who would follow Bondtrade's example. It was even suggested that Bondtrade would discontinue its market-making operations in straight bonds, despite firm denials from Bondtrade itself. In fact, the truth is that Bondtrade is expanding its activity in straights.

The real significance of the Bondtrade move for the rest of the market is that it presents an opportunity for other traders to re-examine their own position. One well-known Eurobond operator said that the time has come for the professional market to take a "long hard look" at its profitability.

"Bondtrade," he continued, "one of the most powerful houses in our market, found that the return on capital in convertibles simply did not justify continuing in that sector. Unless other operators take heed now of this fact, the future viability of our market could well be in jeopardy."

He went on to say that it is "ludicrous" to suppose that the tiny spreads presently being quoted in straight and convertible bonds "in a market almost totally devoid of retail interest" can be profitable for traders. He added that it was significant that in New York over-the-counter traders have much wider quotations in very similar convertible bonds.

Comment

"It seems odd," he commented acidly, "that the European trading fraternity should think they know better from a distance of 3,000 miles."

This viewpoint, however, does not find favour with some other Eurobond operators. Armin J. Mattle, Bondtrade's chief trader, not only states that the Bondtrade decision was unrelated to the profitability aspect, but also maintains that quoting wider spreads is "dangerous" because it will lead to even more violent fluctuations. Mattle suggests that instead of wider margins traders should employ more capital and special blocks should be more carefully negotiated.

These opposing comments by two of the market's most respected operators illustrate the division which exists among traders on how to maintain continuity in the market. But all agree that continuity must be maintained; the problem is how? A solution, or solutions, must be found soon, otherwise the Eurodollar bond market—the only free international capital market—could well suffer a permanent decline.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Straight			Olivetti 9½pc 1985	100½	101½	Beatrice 7½pc 1990	115	116
Atlas Copco 9½pc 1985	99½	100½	Ontario Hydro 8½pc 1986	94	95	Borden 6½pc 1991	99½	100½
ASEA 8½pc 1986	92	93	Philips 8½pc 1976	97½	98½	Chrysler 5pc 1988	[illegible]	[illegible]
Beecham 8½pc 1986	91½	92½	Quebec Hydro 8½pc 1986	101½	102½	Eastman Kodak 4½pc 1988	91	92
Borregard 8½pc 1986	93	94	Transocean Gulf 8pc 1986	91½	92½	Equity Funding 5½pc 1989	[illegible]	[illegible]
Conoco 8pc 1986	91½	92½	**Notes**			Firestone 5pc 1988	94½	[illegible]
Conoco 9½pc 1985	101½	102½	Cabot 8½pc 1975	99½	100½	Ford 6pc 1986	100½	101½
Courtaulds 9½pc 1985	100½	101½	Ericsson 8½pc 1975	100½	101½	Fuji Photo Film 6½pc 1985	150	152
Denmark 9pc 1982	100½	101½	Esso 7pc 1975	95½	96½	Honeywell 5pc 1983	94½	[illegible]
Esso 8pc 1986	95	96	Esso 8½pc 1975	101½	102½	Kinney 6½pc 1990	107½	108½
Esso 9pc 1985	103	104	Gatx Oswego 8½pc 1977	97	98	Komatsu 6½pc 1984	98½	100
General Mills 8pc 1986	91½	92½	Hawker 9pc 1975	100	101	Michelin 6pc 1985	106½	[illegible]
GUS 8½pc 1986	92½	93½	Nippon Petrol 7½pc 1973	97	98	Murphy 5pc 1989	79½	[illegible]
Hamersley 9½pc 1985	98½	99½	Oslo 9pc 1975	101	102	Owens Illinois 5pc 1977	[illegible]	[illegible]
ICI 6½pc 1992	83½	84½	Transocean Gulf 8½pc 1973	100	101	Pepsico 4½pc 1991	115½	[illegible]
Ireland 8½pc 1989	91½	92½	Source: White Weld Securities.			Rand Selection 6½pc 1986	106½	[illegible]
ISEC 9pc 1985	100	101	**Convertibles**			Revlon 4½pc 1983	98½	[illegible]
Massey Ferguson 9pc 1982	99½	100½	Alusuisse 5pc 1981	103½	104½	Suez 7pc 1985	93½	[illegible]
Monsanto 8½pc 1985	97	98	American Can 4½pc 1988	74	75	Texaco 4½pc 1988	[illegible]	84
Mt. Bk. Finland 8½pc 1986	90½	91½	American Brands 5½pc 1988	116	117	20th Century Fox 5pc 1987	[illegible]	[illegible]
Occidental 9½pc 1982	96	98	Amoco 5½pc 1984	94½	95½	Union Carbide 4½pc 1982	86½	[illegible]
Oslo 8½pc 1986	91	92				Source: Kidder, Peabody Securities.		

IN BRIEF

Europe

● AUTOMOBILES PEUGEOT, manufacturing subsidiary of Peugeot SA, said 1971 first half after tax turnover rose to Frs.3,366m. from Frs.2,835m. in same 1970 period. Peugeot SA dividend, rent and other revenues rose to Frs.43m. (Frs.35m.).

● LE MATERIEL TELEPHONIQUE (LMT), French subsidiary of International Telephone and Telegraph Corporation, said 1971 first half after tax turnover rose to Frs.349m. from Frs.271m. in same 1970 period.

● AUTOMOBILES M. BERLIET, heavy vehicle subsidiary of Citroen, said 1971 first half turnover after tax rose to Frs.1,078m. (Frs.906m.).

● RHONE POULENC said 1971 first-half portfolio revenues rose to Frs.91.6m. from Frs.28.7m. in the same period last year. The company said dividends fall irregularly, and a true comparison is not available.

● QUELLE, the Austrian subsidiary of the W. German chain store and mail order concern, is to open two more stores in Klagenfurt and Linz in addition to the 16 stores already operated by the group. Turnover last year rose by 9 per cent. to Sch.1,500m. (about £25m.) with mail order business accounting for 33 per cent. of the total. Sales this year are expected to rise by 12 per cent. and the Austrian business amounts to 10 per cent. of Quelle's total turnover.

● CIE GENERALE DES ETS MICHELIN (Michelin et Cie), said 1971 first-half portfolio revenues rose to Frs.110m. (Frs.103m.).

● GALERIES LAFAYETTE said 1971 first half sales rose to Frs.257m., slightly up from 256m. in the same 1970 period.

● CIMENTS LAFARGE said 1971 first half turnover, after tax, slipped to Frs.336m. from 338m. in same 1970 period.

● STE. MINIERE ET METALLURGIQUE DE PENARROYA, a Ste. Le Nickel subsidiary, said 1971 first-half turnover, after tax, dropped to Frs.329m. from 410m. in the same 1970 period.

● FRISCO-FINDUS said it agreed to purchase Alemagna, of Balerna, the Swiss ice cream subsidiary of the Italian company Alemagna SPA. Frisco-Findus is a joint venture of Nestle Alimentana and Roco Conserven, and also operates in the ice cream sector.

North America

● J. WALTER THOMPSON COMPANY declared quarterly dividend of 25 cents per share on common shares of the company, payable November 19, 1971, to shareholders of record at the close of business October 22, 1971.

● INTERNATIONAL FLAVORS & FRAGRANCES INC. announced an increase in consolidated net income for the second quarter of 1971 of 9.2 per cent. on a sales increase of 5.6 per cent. Net income for the 1971 second quarter was $4.56m. and sales were $28.64m. Net income for first six months of 1971 was $8.18m., an increase of 6.3 per cent. over 1970. This is equivalent to 70 cents per share as compared with 66 cents per share for the first six months of 1970.

● NALCO CHEMICAL COMPANY reported second quarter earnings 37 per cent. higher than a year ago on a 14 per cent. increase in sales. Earnings for the second quarter were $4.45m., or 45 cents a share, compared with $3.26m., or 33 cents a share, in the second quarter a year ago. Sales for the quarter were $48.99m., which compares with sales of $42.84m. in the corresponding quarter of last year.

● NORTHWESTERN MUTUAL LIFE MORTGAGE AND REALTY INVESTORS, newly-formed real estate investment trust based in Boston, Mass., has been listed on the New York Stock Exchange. The trust's shares of beneficial interest and 6 per cent. convertible subordinated debentures were assigned ticker symbol "NML."

● GENERAL DYNAMICS CORPORATION said net earnings rose to $3.99m. (equal to 38 cents a share) in the second quarter from $3.69m. (35 cents) in the same 1970 period on lower sales of $493m. ($592m.) Net profit fell to $8.5m. (81 cents) in the first six months this year from $15.1m. ($1.44) in the same 1970 period on sales of $949m. ($1,161m.).

Others

● AUSTRALIAN FEDERAL TREASURER said proceeds of Australia's first loan in European Units of Account will be used to help Quantas Airways, to finance payments on the purchase of Boeing 747 jets. Loan is for 15m. ECU's equivalent to $15m. and will have an interest coupon of 8 per cent. It matures in 1986, but repayments will begin in 1973.

● ICIANZ and Le Nickel (Australia) Exploration Pty have concluded two joint venture agreements to search for base metals in Northern Queensland and the Northern Territory. Both companies currently prospecting areas held by wholly-owned ICIANZ subsidiary Minimp Pty. Ltd. in the Chillagoe area, Northern Queensland, and by Le Nickel in the Amdeus Basin south west of Alice Springs, Northern Territory.

Salamander reports loss for 1970

By Malcolm Rutherford

BONN, August 5.

SALAMANDER, West Europe's largest shoe company, made a loss last year of Dm936,000 after net profits in 1969 of more than Dm6m. The concern as a whole made a loss of just over Dm3m. after 1969 net profits of more than Dm7m.

Rather than pass over a dividend altogether, the company is paying 4 per cent. from special reserves. A perceptible improvement in results is forecast for 1971 after the completion of rationalisation measures.

The loss was achieved despite a small rise in turnover, which for the parent company rose by 3.4 per cent. to Dm484.6m. Turnover in the first six months of 1971 is said to have developed satisfactorily.

COMPANY NEWS

Hepworth Ceramic confident

SUMMING UP prospects for Hepworth Ceramic Holdings, chairman Mr. John Booth stresses that in the short term the company is operating in a largely stagnant economy.

However, he is convinced of the company's strength and ability to do this successfully and to take advantage of the many opportunities which the future offers.

Turning to the year ended March 31, 1971, Mr. Booth says refractories were particularly buoyant largely because of the high level of steelmaking activity throughout the world until the turn of the year. In contrast, the building industry, which is a major market for vitrified clay pipes, remained depressed until the early spring of the current year when an upturn in demand was registered.

In plastics the year was very much one of acquisition and consolidation. This phase is now complete and there is now an organisation capable of moving forward progressively. Industrial sand continued to make steady progress despite some reduction in demand from the foundry industry during the last quarter.

Engineering interests, although a relatively small percentage of the overall group activity, showed some notable advances in certain projects and made a usefully improved contribution to earnings.

As reported on July 2, group turnover in 1970-71 came to £60.65m. (£49.98m.), trading profit to £7.94m. (£6.79m.) and balance before tax to £6.96m. (£6.24m.). The dividend is 8 per cent.

A split of turnover and trading profit shows: pipes and ancillary products £24.78m. (£20.17m.) and £2.88m. (£3.1m.); refractories £21.92m. (£17.99m.) and £3.07m. (£2.11m.); industrial sands £10.42m. (£9.2m.) and £1.7m. (£1.44m.); engineering and miscellaneous £3.53m. (£2.61m.) and £283,000 (£135,000).

There is prospect of a reduced demand on the refractories side in the home market, so steps are being taken to intensify the marketing effort abroad. For although the company is the largest U.K. exporter of refractory bricks and blocks, its share of world markets is small.

Mr. Booth stresses that only a small additional percentage of the EEC market would ensure full utilisation of the group's plants in the years to come, even taking cognisance of a lessening of demand from the BSC due to changes in steelmaking technology.

At the year end contracts placed for capital expenditure were £1.80m. (£1.93m.), and further authorisations totalled £2.34m. (£1.7m.). Investment grants applicable were estimated at £232,000 (£387,000).

Meeting, Charing Cross Hotel, W.C., September 3 at noon.

JOHN MARTIN

In view of the activity in the shares of John Martin of London and the subsequent movement in their price, the directors advise holders that discussions are taking place which could lead to an offer being made for the capital.

They are being advised in the discussions by Brown Shipley and Co. It is hoped to make another announcement shortly and in the meantime holders are advised not to dispose of their shares.

The company — manufacturers, importers and distributors of provisions and canned goods—has a one-class capital of £400,000 in 10p shares, which closed yesterday at 22p, up 4p.

Ang.-American Securities

Revenue before tax of Anglo-American Securities amounted to £863,514 in the six months to July 13, 1971, against £873,922 in the corresponding period.

As known, the interim dividend is raised from 0.625p to 1p per share to reduce disparity with the final. The total for the year to January 15, 1971 was 2.375p from pre-tax revenue of £1,711,116.

Net asset value per 25p Ordinary share was 101½p (85p at January 13, 1971) including the full amount of the investment dollar premium which at July 15, 1971, was equivalent to 9½p per share (9p). No provision has been made for any liability to tax on capital gains which may arise on future realisations.

Net asset value per share assumming full conversion of convertible loan stock was 101½p (86p).

Triplex Foundries

Chairman and managing director Mr. R. Harrison told the annual meeting of Triplex Foundries Group that currently the position was on a par this time last year. He felt confident the measures which the Government were taking would give the "much-needed boost to put industry on its feet."

The additional capacities at this time preparing would give the group the opportunities to take its full share of any upturn in trade, the chairman added.

E. PICKERING ORDER PEAK

Mr. E. Pickering, chairman of Edgar Pickering (Blackburn), said at the annual meeting that the order book was now the highest ever. The benefit of new developments would only be reflected in this year's accounts to a limited extent and it was too early to make any forecasts. The group manufactures and supplies machinery to the tufting industry.

BIDS AND DEALS

Record profit for Raybeck

Raybeck, women's and girls' clothes retailers and manufacturers, announce a record pre-tax profit of £1,435,000 for the year ended April 30, 1971.

Contained in the formal takeover document for Raybeck's latest £800,000 acquisition, Werff Bros., the profit, which is subject to audit, compares with £1,310,000 for the previous year.

Raybeck chairman, Mr. Ben Raven, says these profits will have been achieved despite the adverse effect of the seven-week postal strike on the group's largest manufacturing companies, which include major mail order houses among their biggest customers.

Details of the latest Werff acquisition—with its 23 dress shops it brings the Raybeck group total retail outlets up to 200—show that on the basis of unaudited accounts Werff made a £84,000 profit, before tax and interest payment, for the year ended June 30, 1971, and a substantial increase is expected in the current year.

NO WESTMINSTER TRUST FORMAL OFFER THIS WEEK

The formal offer from Land Securities Investment Trust for Westminster Trust Holdings is unlikely to be posted for at least a week in view of the need to give Westminster holders as much up-to-date information as possible.

Meanwhile, the Westminster loan stock issued to Fashion and General Investments has been converted into 1,411,766 Ordinary shares and irrevocable acceptances given to the Land Securities offer in respect of these shares.

Together with other irrevocable acceptances in respect of 6,743,636 shares, this represents about 56 per cent. of the increased capital of Westminster which has irrevocably accepted.

LC Securities, leading opposition to the bid, said a letter would go out to-day to many Westminster holders asking for their support in the convening of an extra-ordinary meeting.

There were indications yesterday that, once the Westminster profits are known the Land Securities offer might look a good one financially, and Mr. L. I. Casper, of LCS, said last night: "We certainly would not oppose the offer if Westminster's financial situation proves worse than we expected."

BROADVIEW-OFT-LONDON COUNTY

The formal document relating to the agreed bid by Broadview Financial Trust for the shares in Overseas Financial Trust it does not already own has now been sent out to sareholders. It forecost that OFT will make a pre-tax profit of around £440,000 in the year to January 2, 1972, compared with an adjusted £411,000 for the previous year. BFT and Broadview Securities are forecasting a revenue loss of £88,000 before taking into account dividends received from OFT.

Subject to the successful completion of this offer, London and County Securities will make an offer for BFT on a share exchange basis, underwritten for cash at 55p a share

BASS REDUCES STAKE IN GREENE KING

Bass Charrington has reduced by just over 3 per cent. its holding in Greene King and Sons, Bury St. Edmunds brewers, and now controls about 8 per cent. of the shares.

Bass sold 63,000 shares because, said chairman Mr. Alan Walker, "we could get a good high price." At last night's closing price of 475p for the Greene King Ordinary, the shares sold were worth about £285,000 and Bass's remaining stake has a value in the region of £700,000.

The prices of all medium-sized breweries—Greene King has about 950 outlets in Suffolk—have been inflated on bid hopes following the big battle surrounding Truman Hanbury.

But, by reducing its stake to under 10 per cent., Bass gets more flexibility in its treatment of the Greene King situation as it is no longer obliged to report to Greene King any share-dealing activity—unless it buys shares to take it above the 10 per cent. level once again.

Any bid for Greene King would almost certainly have to get the backing of the directors as they are believed to control as much as 45 per cent. of the issued capital.

FLUIDRIVE "NO"

The Board of Fluidrive has come out against the offer made by Wellman Engineering Corporation. In a letter to shareholders, Fluidrive chairman, Mr. J. Raymond, says the directors have concluded that holders would not benefit from the acquisition of their company by Wellman, and that the proposed offer in any event substantially undervalues Fluidrive. The Board's view is fully endorsed by financial advisers, Kleinwort Benson.

COMMON BROTHERS ACQUISITION

Common Brothers, Newcastle-upon-Tyne shipowners and ship managers, is to acquire the shares in Shipcraft Agency Inc., New York, and Shipcraft Agency, Jamaica, at present held by interests represented by Mr. Arne Larsson. The companies will become wholly-owned subsidiaries when the negotiations are completed

This development will complete the rationalisation programme under which the operations of Common Brothers' wholly-owned subsidiary—Caribbean Trailer Express—are integrated with the parent. Shipcraft will operate as the agency for Caribbean Trailer.

Mr. S. S. Danoff, president of Caribbean Trailer, will become the new president of both the acquired Shipcraft companies which eventually will incorporate the Common Brothers' name. It is intended to continue agency business from the offices of Shipcraft Agency Inc. in New York and in Kingston, Jamaica.

Common Brothers, through Caribbean Trailer, at present operates two 3,500 ton roll-on/roll-off trailer ships, Caribbean Venture and Caribbean Enterprise. Based on New York, ships trade across the Caribbean.

Common Brothers yesterday declined to give the cost of the acquisition.

ASSOCIATES DEALS

L. Messel on August 4 bought on behalf of associates of Trafalgar House 210,500 Cunard at 191p.

Cazenove and Co. bought on behalf of an associate of Watney Mann 167,872 Truman Hanbury at 431.81p xd average.

Morgan Grenfell, as an associate, purchased on behalf of discretionary investment clients 14,321 Coats Patons at 60¼p average.

Samuel Montagu announce that an associate of Drakes—Dowgate and General Investments—bought 5,000 Norvic at 55¼p average.

Rowe Swan bought 5,000 Bluemel at 79p on account of Bristol Street Group.

Securities Agency purchased 4,000 Racal Electronics at 132p on behalf of a discretionary investment client.

S. G. Warburg purchased on behalf of associates of Grand Metropolitan 17,332 Truman Hanbury at an average of 440p.

Panmure Gordon purchased on behalf of associates of Grand Metropolitan 18,320 Truman Hanbury at an average of 440p.

S. G. Warburg sold on behalf of an associate 10,000 Cunard at 190½p.

On August 3, Buckmaster and Moore sold 6,400 Penguin Publishing at 379p, being an associates discretionary client's deal.

SEMPAH—TOWN CENTRE

Sempah (Holdings) intends to make an offer for the outstanding shares of Town Centre Properties it does not already own, namely, some 70 per cent. of the issued capital. Town Centre is capitalised at around £800,000.

The auditors of Sempah and of Town Centre have been asked to meet and investigate, as they think appropriate, the basis on which Sempah should acquire Town Centre.

SMITH HOLDINGS

The chairman of Smith Holdings (Whitworth), Mr. J. Walsh, has written to shareholders informing them of the possibility of a reverse take-over approach from Hawick Jersey International, a privately unquoted company.

While the Board does not object to the possibility in principle, it advises holders not to sell their shares to Mr. Macleod, of Macleod and Associates, who is associated with Hawick, and has been attempting to obtain sufficient votes in Smith to enable Hawick nominees to join the Smith Board as a preliminary to a reverse take-over.

The Smith chairman states that Hawick has now appointed financial advisers, and that it is hoped any further approaches by Hawick will be made direct to the Board.

BRITISH VITA IN SOUTH AFRICA

British Vita, Manchester-based polymer product group, has strengthened its international position by the purchase of the land, buildings, plant, equipment and trading stock, valued at £515,000 sterling, of the AA Plastics Chemical Co. (Pty.) of South Africa. Consideration is £350,000 sterling in cash, of which £70,000 is payable on completion and the balance of £280,000 by instalments over three years, free of interest.

The plant and machinery consists of modern coating plant for simulated leather cloths and other coated fabrics similar to those being produced in the U.K. by the fabrics and fibres division of British Vita.

Mr. A. E. Harrison, chairman of British Vita International, said: "although the plant is absolutely new, it has never been run commercially due to the lack of technological expertise. A team of our top technologists and engineers has been in South Africa for the past eight weeks studying the plant, and British Vita will be supplying the necessary technology to make the operation a profitable one."

The transaction considerably extends British Vita's manufacturing operations in South Africa, where it already has plants in Johannesburg, Durban, and Cape Town, making polyurethane and polyether foams.

L. NOEL EXPANSION

L. Noel and Sons, manufacturers and importers of cocktail cherries and other speciality foods, has acquired Pannett and Neden, herb and spice business. Both companies are over 100

Mr. R. E. Miles, chairman of Noel, said: "We shall retain the name of Pannett and Neden and production will continue at its Wandsworth factory."

Two partners of the company, Mr. S. R. Neden and Mr. F. Lehmann are to continue as consultants. Noel and Sons is a member of the Fitch Lovell food group.

OXFORD THEATRE

Howard and Wyndham's offer for Oxford Theatre Company has been declared unconditional, having been accepted by over 90 per cent. It is extended to August 23.

MONTFORT

Montfort (Knitting Mills) says its letter giving reasons for the rejection of the offers from Reliance Hosiery (Halifax) will be posted on August 9. An interim dividend, together with the unaudited profit for the half-year to June 30, 1971, will be announced on the same day.

MINING NEWS

Union Corpn. takes Cudgen holding

BY KENNETH MARSTON

FOLLOWING yesterday's report from our Australia Editor, Michael Southern, that there are rising hopes for the creditors of Mineral Securities Australia now that tenders have been received for the latter's portfolio by the liquidator, Mr. J. H. Jamison, it is announced that the Union Corporation group and associates has made a successful tender of $12.3m. (£5.7m.), at $1.65 per share for 59.63 per cent. of the rutile and zircon producing Cudgen RZ.

The parent Union Corporation's stake in the transaction through Union Corporation (Australia) amounts to 6.24m. shares, or 49.9 per cent. of Cudgen RZ. The last-named owns 50.005 per cent. of Consolidated Rutile, 8 per cent. of which has also been acquired from the Minsec liquidator by Union Corporation (Australia) at a price of $2.47 per share which represents $1.66m. for the 0.67m. shares involved.

Rutile and zircon

Australia is the world's biggest producer of beach sand minerals which enjoy a good market. Rutile has a major role in the manufacture of titanium metal, which is needed in aerospace applications, while zircon has widespread uses in other high temperature fields, such as ceramics, and some 90 per cent. of zirconium metal finds its way into alloy tubing in nuclear reactors.

Union Corporation thus enters the big league in this sphere with the Consolidated Gold Fields group which controls the world's largest beach sand mineral producer Australia's Associated Minerals Consolidated. Bridging finance for the Union Corporation group deal has been arranged through Hambros Bank.

It is also disclosed that the successful tenderer for the Minsec holding of Aberfoyle is the Australian subsidiary of Canada's Cominco mining plant. Meanwhile, Mr. Jamison is "extremely hopeful" that Minsec Preference shareholders will "receive something" from the final liquidation and he also hopes to make a statement next week on the result of the important tender for the Minsec holding of 3.26m. shares in Robe River.

EARNINGS FALL AT RIO ALGOM

Net earnings of $5.13m. (£2.08m.) for the first half of this year compared with $8.76m. in the same period of 1970 are reported by Rio Algom, the 51 per cent.-owned Canadian subsidiary of the Rio Tinto-Zinc group. Earnings per share have fallen to 39 cents from 68 cents with sales down 10 per cent. to $85.5m.

It is pointed out that the company's steel profits have been hit by the depressed demand for speciality steels coupled with "extreme pressure" from foreign competitors at a time of rising labour and raw material costs. In addition, the increased value of the Canadian dollar has had more adverse impact on earnings. The hoped-for improvement in steel conditions has not yet started.

Rio Algom's uranium profits have risen during the past half year but the increase has been largely offset by lower income from copper operations. However the $138m. Lornex copper project in British Columbia is going ahead on schedule despite adverse weather conditions. A stake of just over 50 per cent. is held in Lornex which is due to reach production in the second quarter of next year.

DIFFICULTIES IN NEW CALEDONIA

Troubles continue at the ambitious nickel developments in New Caledonia. Workers at the plant of France's Le Nickel are reported to have rejected the offer of a delayed implementation of the arbitration decision and have submitted terms under which they are prepared to return to work.

In New York, International Nickel has denied reports that it has withdrawn from the huge Cofimpac nickel project in New Caledonia. But the company has added that the decision to go ahead with the project has been delayed by matters involving the approval of the French Government and essential to the implementation of the project which have not yet been resolved.

These include the final composition of the French holding company and the definition of an acceptable mining domain in New Caledonia. Accordingly, Cofimpac has decided to reduce its activities and budget to the minimum required to continue negotiations, meet external obligations and safeguard its assets. Inco has a 40 per cent. stake in the consortium.

MINING BRIEFS

ASHANTI GOLDFIELDS—July: Tons treated: 65,597 yielding 44,580 ozs. gold. Estimated profit (subject to taxation) £181,904. Total estimated profit for ten months to July (subject to taxation) £1,865,181 (same period 1969/70 £1,898,777).

DEVELOPMENT

Reef	Level	Cross cut	Width ft.	Value dwt.
Obuasi Sulphide	22S	175E	10.6	13.3
Obuasi Sulphide	23S	175E	16.2	13.6
Obuasi Sulphide	23S	173W	20.0	13.3
Obuasi Sulphide	24S	160W	28.1	21.3
Obuasi	24S	160W	3.4	66.6
Main	42S	59W	8.4	25.3

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Banque de France circular still confusing market

BY ADRIAN DICKS

PARIS, August 5.

PARIS Foreign Exchange ...et had a very quiet day to- ...as bankers and dealers, for ...second day running, tried ...rasp the practical implica- ... of the Banque de France's ...lar on Wednesday forbid- ... them from buying foreign ...ulative funds.

...is evening many operators ... still uncertain how to draw ...tinction between speculative ...s from abroad for francs ... those arising from commer- ... transactions. This morning, ...ng bankers had a meeting ... M. Andre de Lattre, deputy- ...rnor of the Banque de ...ce in the absence of M. ...er Wormser, governor.

...de of conduct

...wever, they emerged with ...mpression that it will still ...r the banks themselves to ...le how the circular is to be ... into practice. At a second ...ing late this afternoon ...sentatives of the banks were ...g to work out a code of con- ... and were considering ...g other suggestions the ...sition of a "floors" of ...000 below which they agree ...ke a risk on the speculative ...acter or otherwise of a ...gn order.

...limited dealings to-day the ... was at its ceiling of 5.5125 ...ist the dollar. But operators ...imously reported very quiet ...itions. Few to-day were in- ...d to take seriously reports ...he birth of an external ...et in francs in London or ...kfurt, while most dismissed ... premium rates quoted in ...gn centres for francs against ...rs as "fictitious."

...is certainly hard to see what ...l be the logic of such a ...et—in which French banks ...d be unable to borrow— ...t to fulfil any remaining ...ulative demand for the ... based on hopes of an ...nent revaluation.

...e general opinion here is ... the market will not really ... where it stands until after ...week-end. But in the mean- ... the Banque de France is ...r heavy fire for its handling ...le circular yesterday. Many ...ers feel that by couching a ...ment of such importance in ...emely vague terms, and by failing to issue any explanation to the financial Press until well after the event, the central bank had only itself to blame for yesterday's confusion—in which its own dealers on the market were said to be as much caught up as anyone else.

Officials, too, have not hidden their exasperation that what was intended to be one more well-calculated step in the French Government campaign to head off pressures for revaluation should have erupted into panic in European markets.

Now that the dust has settled, the outlines of M. Giscard d'Estaing's policy look no different, even though some people in the exchange market feel that by announcing major policy measures so thick and fast (one every day for the first three days of this week) he is risking diminishing returns in terms of credibility.

It is now being claimed, however, that the object of the central bank's circular was to keep non-resident franc holdings —which have more than doubled since the end of 1969—to their present level of around $1,000m. out of a total volume of foreign exchange held by the banking system of about $9,000m. The measure is said to have been under study, with the blessing of the Common Market Finance Ministers, since May, and it is pointed out that a precedent exists in Italy.

Thus the French Government is sticking closely to its policy of strict orthodoxy and to the "rules of the game." Nothing in its recent declarations indicates any real willingness to compromise with Bonn on the flexibility issue, although M. Giscard d'Estaing last week repeated his declaration made at Copenhagen last year that he would be willing to "study" the question of wider margins.

In this position he may well seek the support of Mr. Barber, the Chancellor of the Exchequer, who is to pay a one-day visit to Paris on September 7.

Circular's main points

The main points from the circular to the banks, dated Wednesday, are:

"In application of the decree of November 24, 1968, you should make sure that you take action in future to see that your 'overall net external position in francs and foreign currencies' undergoes no deterioration from that appearing in your accounts on August 3, 1971.

"In the phrase 'overall net external position in francs and foreign currencies' should be understood the difference, whether positive, neutral or negative, between the total of your external assets in foreign currencies and in francs, and the total of your external obligations in foreign currencies and in francs.

"The measures described above will lead you to refuse those transfers of foreign currencies from abroad which may be motivated by speculative reasons. They leave you, however, with the power to buy currencies to the extent that you are sure that the francs handed over in exchange are intended to settle current transactions in favour of French residents."

Later the same day the Banque de France also issued the following brief communiqué:

"The Banque de France yesterday addressed to approved banks a circular asking them to make certain that their overall external position in francs and foreign currencies should not undergo any deterioration by comparison to that at close of business on August 3, 1971.

"This circular having given rise to wrong interpretations, it is recalled that this measure involves no restriction on foreign franc purchases involving payments made for the benefit of French residents, whether these be current transactions (trade or invisibles) or capital movements.

"Rumours concerning the creation of a double exchange market are thus without any foundation."

DM higher against the dollar

FRANKFURT, August 5.

AS A RESULT of the latest French exchange restrictions the D-Mark to-day floated up to 3.4415 to the dollar on the German mraket, a quasi-revaluation of almost 6.4 per cent. The official mid-day fixing was DM3.4433, a 6.3 per cent. revaluation rate and a record high.

Following reports from Paris that the Banque de France had clarifie d yesterday's directive, indicating that the curbs were not as strict as first thought, the D-Mark eased slightly. Towards the close it firmed again when it appeared that French banks were still confused about their new obligations.

The shifting news from Paris also affected the "grey market" for non-commercial francs that developed early in the day. At one stage the franc was being quoted at 5.5050 to the dollar, 75 centimes above its official intervention point of 5.5125.

The clarification made by the Banque de France was taken here at first to mean a virtual reversion to normal exchange practice. As a result the "grey market" rapidly tailed off into virtually nothing.

The reaction of the Bundesbank to its colleagues' operations in Paris has been extremely calm. While the Economics and Finance Minister openly called the French action "a step backwards" towards the restriction of convertibility, the bank's vice-president said that he "understood" the measures.

Dr. Otmar Emminger added that if one limited the official foreign exchange market to normal commercial movements one should think about what would happen to other types of exchange transaction. One must expect the mto move elsewhere, namely abroad, he said. He was expecting the French authorities to take steps to deal with this problem, but what they would do was an open question.

Meanwhile, the Bundesbank reported that West Germany had a balance of payments deficit on current account of DM80m. in the first six months of the year, compared with a DM689m. surplus in the first half of 1970.

The basic balance of payments (current account and long-term capital transations combined) showed a surplus of DM1,407m. in the first half of 1971, compared with a deficit of DM4,396m. a year before.

APPOINTMENTS

Mr. Mangold is managing director of International Combustion (Hlgs.)

Mr. J. F. Mangold, deputy managing director of INTERNATIONAL COMBUSTION (HOLDINGS), has been appointed managing director. He succeeds Mr. H. W. Jackson whose resignation as deputy chairman and managing director and from the Board was reported on July 31.

Mr. Mangold has been managing director of International Combustion Ltd., the principal operating subsidiary, since October and was appointed deputy managing director of the holding company in April.

See Men and Matters Page 12

Mr. J. F. Mangold

★

Mr. Malcolm P. Parkes has joined the Board of N. CORAH (ST. MARGARET) with special responsibility for finance and administration. Mr. Malcolm M. Ross has been appointed company secretary.

★

Mr. W. Gordon Robertson has been elected chairman of FISONS CORPORATION, U.S. in succession to Professor D. T. Smith who remains on the Board.

★

Mr. R. C. Shaw has been appointed to the Board of DUVEEN AND WALKER, insurance brokers.

★

Mr. P. E. Leslie, at present a BARCLAYS BANK DCO local director in the Bahamas and a member of the Bahamas Board, has been appointed an assistant general manager in London.

★

Mr. Gerald de Groot has been elected chairman of the MARKET RESEARCH SOCIETY. Mr. A. R. McIntosh has become vice chairman and Mr. G. J. Goodhardt, honorary secretary and treasurer. New members elected to Council are Mr. W. Benjamin, Dr. S. F. Buck and Dr. T. L McGloughlin.

★

Mr. W. J. Kilpatrick has been appointed chairman of KIRKLAND-WHITTAKER, foreign exchange and currency deposit brokers, in succession to Lt.-Col. D. H. Davis, who has resigned. Mr. P. C. Lane has been made managing director and Mr. R. Law appointed an additional director.

★

Mr. William C. Wahl, former managing director of General Foods of Banbury, U.K., has been appointed a group vice president of the GENERAL FOODS CORPORATION and president of GENERAL FOODS INTERNATIONAL. He succeeds Mr. George Bremser Jnr.

★

Mr. Thomas Dawson, deputy manager of the London, Drummonds branch of the ROYAL BANK OF SCOTLAND, has been appointed joint manager with Mr. James R. Cuthbertson.

★

Mr. J. Hollows has been appointed managing director of UNIT TOOL AND ENGINEERING COMPANY, part of the Spearshaft Industrial Group which is an S. Pearson and Son division. He was previously general manager and a director, and succeeds Mr. R. P. Rogers, who has retired for health reasons.

★

The British Film Institute has appointed Mr. Stephen Wischhusen administrator of the BRIGHTON FILM THEATRE.

★

HOGG ROBINSON AND GARDNER MOUNTAIN, a subsidiary of Staplegreen Insurance Holdings, has appointed Mr. Morris P. Abbott group managing director. He has also become chairman of the Credit Insurance Association and Mr. David A. Lishman has been appointed managing director of that company.

★

As a result of the acquisition of the company by Escher Wyss Mr. D. R. Ward and Mr. F. R. Welsh, who represented Hadfields, have resigned from the Board of MILLSPAUGH.

★

Mr. Julius Edwardes of British Petroleum has been elected chairman of the MIDDLE EAST ASSOCIATION. He succeeds Mr. Geoffrey Stow.

★

Mr. Hugh C. Newman has been elected a director of the WELLMAN INCANDESCENT FURNACE COMPANY. Mr. Newman is managing director of Wellman Gas Engineering.

Four alternate directors have also been appointed. They are: Mr. G. Adams, Mr. G. J. Young, Mr. D. Pritchard and Mr. H. J. Bryan.

★

Mr. D. H. Carter has been appointed to the Boards of STOTHERT AND PITT and its subsidiary, Torrance and Sons. He will also be chairman of Torrance and Sons.

★

Following the acquisition of WILLIAMS HUDSON by Adepton Mr. L. A. Simpson and Mr. A. C. Clark-Kennedy, the chairman and managing director, and vice-chairman and assistant managing director respectively, of the former company will resign from the Board on September 30. Both will also resign their other group directorships from the same date.

★

Mr. Christopher S. Gladstone, of J. Henry Schroder Wagg and Co., has joined the Board of HARLAND AND WOLFF as a non-executive director.

Perkins warns of further 500 cut in labour force

BY DAVID WALKER

...CLEAR WARNING that ...ins, the Peterborough diesel ...ne manufacturer, is to cut its ...r force by a further 500 has ... issued by Mr. Monty Pritch- ... group chairman and ...ging director.

...the past 12 months, 1,500 ... have been axed by Perkins, ...ly through voluntary ...ndancy and natural wastage. ...e 750 jobs have vanished this ... alone.

...ow, writing in the latest issue ...e Perkins Echo, the group's ...e newspaper, Mr. Pritchard ... declared that it is essential ...duce the present 7,500-strong ... to the 1968 level of 7,000.

...lunteers

...e news comes a month after ...l for volunteers for redun- ...y from all departments at ...rborough. Employees were ...d to step forward by last ...day if they were willing to ...eclared redundant.

...me 500 to 600 workers are ...ved to have responded to ... making it possible that ... straight dismissals may be ...led. An announcement from the company on final plans is expected on August 19.

In his article, Mr. Pritchard states that falling engine sales mean that the cutback in staff will not be enough without economies elsewhere as well.

Exhibition electricians to get more

By Our Labour Staff

SOME 600 electricians in the exhibition contracting industry are to receive pay increases of between £3.20 and £3 a week under a pay settlement which will be backdated to July 4.

The deal is part of a pay and conditions package agreed between the employers and the Electrical and Plumbing Trades Union. Under it craftsmen's basic rates rise from £30 to £33.20, those of mates improving from £27 to £30 a week, together with more holidays and increased sick pay and lodging allowances.

Accountants hopeful of Six breakthrough

BY MICHAEL BLANDEN

THE BRITISH accounting profession believes it has made an important breakthrough in its approach to the Common Market. The Institute of Chartered Accountants in England and Wales is to accept an invitation to send a representative to a meeting of the special Groupe d'Etude, set up as an unofficial liaison body by acountants in the EEC countries, on October 26.

It is hoped this will be the first step towards full participation by the British profession through its professional associations in the important debate at present going on within the EEC in anticipation of British membership.

Restrictions

The English Institute has also released the strongly-worded note which it has sent to the EEC Commission on the specific issue of restrictions on the activities of accounting firms.

There has been some discussion within the EEC about the possible case for restricting accountants who act as auditors of companies from undertaking other services such as management consultancy and taxation work. This issue, which has also been raised tentatively in the U.K., would affect many firms which have been extending their operations into these fields.

In a seven-point argument, the English Institute sets out its reasons for believing that such a restriction would be "damaging to the profession, its clients, and the community generally."

It argues that undertaking other activities does not damage the objectivity of the auditor; that such restrictions would adversely affect the accountant's skill and the service to their clients; and that it would be unworkable.

Besides this the accountants are concerned immediately with suggestions, put forward in draft form, for removing some of the restrictions at present in force on the operations of accountants within the EEC.

The Institute is in favour of as open a situation as possible enabling accountants from any member country to operate anywhere else within the Community, as is the case in the U.K.

Light aviation show will be one of largest

By Ray Dafter

ORGANISERS of the Business and Light Aviation Show to be held at Cranfield between September 1 and 5 said yesterday that bookings for space indicated that the range of aircraft and equipment on show will be one of the largest assembled at a U.K. light aviation exhibition.

The largest aircraft on view will be those with third-level airline or executive capacity, including the Britten-Norman Islander, the Short Skyvan, the Jetstream and the Yak-40. The European executive jets will be represented by the Hawker Siddeley 125S and the Dassault Falcons.

Equipment exhibits will range from complete engines, avionics, simulators and headsets to such services as finance and flight documentation.

The show, organised by ITF—Iliffe Exhibitions, is being sponsored by the magazine Flight International in association with the Business Aircraft Users' Association, the British Light Aviation Centre, General Aviation Safety Committee, the Guild of Air Pilots and Air Navigators, and the Society of Licensed Aircraft Engineers and Technologists.

'Chill breeze running through Hollywood'

The Investors Chronicle this week includes a comprehensive double-feature on the present state of the film industry here and in America.

A special correspondent on Wall Street sees a chill breeze of financial realism running through Hollywood, and the huge stages standing idle for most of the time could be the factor which will force the major studios into closer association.

Accompanying this article is an examination of the experiments in new methods of financing for British films which are being threatened by the Government's limitations on support for the National Film Finance Corporation.

Exchequer borrowing up in July

BY DONALD MACLEAN

...Exchequer had a net borrow- ...equirement of £296m. in July ...order to meet a Consolidated ... shortfall) of £39m., net loans ... the National Loans Fund of ...m., and an increase of £150m. ...he Exchange Equalisation ...unt sterling capital (reflect- ...he buoyancy of the gold and ...ency reserves)

...e latest figures appear sub- ...ially out of line with those ... forward in the Budget in ...h, when it was estimated that ... Exchequer borrowing of ...m. in 1970-71 would be fol- ...d by net debt repayments of ...m. over the full year 1971-72. ...er the first four months of ...year, there has, in fact, been ...t borrowing requirement of ...m., compared with net debt ...yments of £181m. in the same ...d last year.

...Barber's mini-Budget of last month has not yet had an impact on the returns.

Consolidated Fund operations in the four months produced a surplus of only £270m., compared with £510m. in the same period last year, though the Budget allowed for a surplus of £2,316m. over the full year, against only £1,756m. in 1970-71.

Apart from a £750m. outgoing in respect of the Exchange Equalisation Account (for which no allowance was made in the Budget), and the relatively small amount of the Consolidated Fund surplus (which appears due more to increased spending than low revenue), there has been a sharp jump in lending to certain nationalised industries.

Loans from the National Loans Fund totalled £468m. net over the four months, against £287m. Budget figures allowed for net loans of £2,052m. over the full year, compared with last year's £1,561m.

Table Page 23

Two ITBs to be reconstituted

TWO industry training boards have been reconstituted, for a further three years.

Mr. G. A. Spencer has been re-appointed chairman of the Distributive Board and there are three new employer members, Mr. A. G. Cairns, Mr. D. J. Rowlands and Colonel C. T. Wolls as well as two new educational members, Mr. G. R. Potter and Mr. P. G. Thomas. Two employer members have still to be appointed.

The Food, Drink and Tobacco Board has two new employer members, Mr. I. V. Barrett and Mr R. J. Tetley, and three new employee members, Mr. C. D. Grieve, Mr. G. Kiely and Mrs. P. Turner.

Mr. C. D. Lovell, who has been chairman for the past three years, does not want to serve a further period and his successor will be appointed soon. One employer and four education members have also still to be appointed.

Separate price indices for 4 areas urged

BY JOHN HUNT

THE INTRODUCTION of separate price indices for Scotland, Wales, Northern Ireland and the Greater London Council area is advocated in a report from the Retail Prices Index Advisory Committee.

But some members of the committee, particularly the Confederation of British Industry and the nationalised industries, opposed regional indices on the grounds that they would complicate wage negotiations and cause inflation.

In its report published yesterday the committee recognises these differences and draws attention to the arguments expressed on both sides.

In a written Parliamentary reply Mr. Paul Bryan, Minister of State for Employment, also took note of the differences of opinion and said he would be having consultations on the report with the CBI, the TUC and other interests.

Proposals for retail prices indices for regions, Cmnd. 4749, SO, 30p.

Co-op move to back Common Market entry

BY DAVID WALKER

THE special one-day Co-operative Congress in London on September 4 will be asked to back entry to the Common Market under the terms negotiated by the Government, the central executive of the Co-operative Union decided by a 9—3 vote at Manchester yesterday.

The finding of the Union, the central co-ordinating body of the entire Co-operative movement, came a day after the national executive of the Co-operative Party, with 15 MPs on the Labour benches in the Commons, also voted in favour of the Market entry terms.

One result must be to add to the problems within the Labour Party, whose own national executive last week came down decisively against the present conditions for joining the EEC.

At the same time, with a considerable number of Co-operative society members actively against entry, the 280 delegates to the September Congress could still commit the movement to opposition alongside the larger section of the Labour Party.

Either way, the result could be of substantial importance to the Labour Party as a guide to general rank and file membership's feeling on the topic.

In justifying its stand, the Union central executive seems likely to lay stress on the consumer interests which would be served by closer relations between the movement in this country and its counterparts in the Six and the other candidates for entry.

P.O. warned on possible higher charges

By Harold Bolter

THE Post Office Users' National Council yesterday warned that it was determined to subject any attempt by the Post Office to raise postal charges to "close examination."

In its annual report the Council also said it would keep a careful watch on any proposals by the PO for making cuts in service to reduce costs.

The PO, committed to keeping price increases below 5 per cent. over the next year, is losing £1m. a week on its postal business and has started discussions with the Government on the problems it faces in trying to observe voluntary price restraint.

Hot July hit TV viewing says BBC

BECAUSE July was hot and sunny, the average amount of TV viewing, according to the BBC, fell to 6 hours 19 minutes a week on the Corporation's channels, against 7 hours 27 minutes in June. The watchers were divided in the ratio of 52 BBC and 48 ITV, a rise of one point for the commercial stations.

According to JICTAR(the Joint Industry Committee for TV Advertising Research, which uses a different method of research), 54 per cent. of viewers watched ITV in July, 39 per cent. were tuned into BBC-1 and 7 per cent. to BBC-2.

BANK RETURN

—	Wednesday August 4 1971	Inc. (+) or dec. (—) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	12,718,992	— 581,676
Special Deposits	402,000,000	—
Bankers	200,860,253	+ 9,951,333
Reserves & Other A/cs	234,096,775	— 31,278,590
	864,229,620	— 21,922,933
ASSETS		
Govt Securities	732,612,712	+ 600,000
Advance & Other A/cs	37,316,353	— 11,698,678
Premises, Equip't & Other Secs.	65,611,864	— 3,454,220
Notes	23,584,154	— 7,356,356
Coin	1,104,717	— 20,649
	864,229,620	— 21,928,933
Reserve	24,688,871	— 7,376,005
Bank Rate	6%	
ISSUE DEPARTMENT		
LIABILITIES	£	£
Notes Issued	3,800,000,000	+ 25,000,000
In Circulation	3,776,415,846	+ 17,644,644
In Bank's Dept.	23,584,154	— 7,356,356
ASSETS		
Govt. Debt	11,015,100	
Other Govt. Secs.	3,454,162,332	— 22,019,369
Other Securities	334,522,568	— 2,980,631
Coin	300,000	
	3,800,000,000	+ 25,000,000

INTERIM STATEMENT

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

B·A·T

Interim Report
Half Year to 31st March 1971

1. The results of the Group's operations for the half year ended 31st March 1971, which have not been audited, may be summarised as follows:—

	31.3.1970	Half Years to 30.9.1970 £ millions	31.3.1971
Group Turnover—			
Tobacco Products	742·96	813·07	815·32
Paper, Packaging and Printing	11·85	34·03	71·62
Perfumery and Cosmetics	22·32	16·14	24·14
Other Products and Services	11·68	16·40	16·11
	788·81	879·64	927·19
Duty and excise included in Tobacco Products Turnover	417·54	454·27	456·39
Group Trading Profit—			
Tobacco Products	64·66	80·94	75·71
Paper, Packaging and Printing	1·02	1·80	2·07
Perfumery and Cosmetics	·89	·15	·89
Other Products and Services	·77	(·78)	—
Total Group Trading Profit	67·34	82·11	78·67
Investment Income	8·26	10·00	7·90
	75·60	92·11	86·57
Interest Paid	3·33	4·59	7·04
Group Profit before taxation	72·27	87·52	79·53
Taxation	32·72	40·14	37·59
Group Profit after taxation	39·55	47·38	41·94
Attributable to Minority Shareholders in Subsidiaries	6·06	5·57	5·63
Group Net Profit attributable to BAT	33·49	41·81	36·31

The taxation charge comprises:—

	31.3.1970	Half Years to 30.9.1970 £ millions	31.3.1971
United Kingdom Taxation	3·11	1·47	·86
Overseas Taxation	30·54	39·52	37·63
	33·65	40·99	38·49
Less—			
Transitional Overspill Relief (*Finance Act 1965 S.84*)	·93	·85	·90
	32·72	40·14	37·59

2. The Board today declared a second interim dividend to be paid on 30th September next in respect of the year to 30th September 1971 of 3½p gross per 25p of Ordinary Stock, bringing the total of the two interim dividends to 7½p per 25p of Ordinary Stock, absorbing £17·82 mns. (1970—7½p).

3. The total volume of Group cigarette sales in the six months to 31st March 1971 increased by 2·8% in comparison with the same period last year.

4. The increase in trading profit from Paper, Packaging and Printing was due to the inclusion for the first time of a full half year's profit of the Wiggins Teape Group. Wiggins Teape's profits were severely affected by the depressed conditions obtaining in the U.K. paper industry throughout the period.

5. In the half year to 30th September next quantity sales of Brown & Williamson in the U.S.A. show a modestly improving trend and satisfactory progress continues in Europe. Group sales in Latin America as a whole are static in spite of some continuing growth in Brazil. The disturbed conditions in Pakistan have reduced sales there by about 20%. In total the volume of Group sales of tobacco goods in the half year to 30th September next are likely to be only marginally higher than for the same period of the previous year.

6. Subject to any unforeseen contingencies it is expected that Group net profit attributable to BAT for the year to 30th September 1971 will not differ greatly from that for the previous year.

7. As regards the Interim Ordinary Dividend, transfers received in order by the Registrar of the Company, Lloyds Bank Ltd., Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex, up to 1st September next will be in time to be passed for payment of this dividend to the transferee. In the case of Bearer Warrants, the dividend will be paid against the deposit of Coupon No. 267.

8. It was also decided to pay, on 30th September next, the half-yearly dividend due on the 5% Preference Stock amounting to 2½p gross for each £1 unit of Preference Stock. Transfers received in order by the Registrar of the Company up to 1st September next will be in time to be passed for payment of this dividend to the transferee. In the case of Bearer Warrants, the dividend will be paid against the deposit of Coupon No. 136.

9. The Directors have also decided to pay, on 30th October next, the half-yearly dividend due on the 6% Preference Stock amounting to 3p gross for each £1 unit of Preference Stock. Transfers received in order by the Registrar of the Company up to 30th September next will be in time to be passed for payment of this dividend to the transferee.

3rd August, 1971

P. J. RICKETTS
Secretary.

BRITISH-AMERICAN TOBACCO INVESTMENTS LIMITED

Half Year to 31st March 1971

The Company was incorporated on 29th May 1970 as a wholly-owned subsidiary of British-American Tobacco Co. Limited.

There was no profit or loss for the half year to 31st March 1971, the net interest charge of £2·41 mns. being offset by subvention receipts.

3rd August, 1971

P. J. RICKETTS
Secretary.

APPOINTMENTS

Hertfordshire £6,000+

FINANCIAL CONTROLLER

An expanding company which is engaged in design, manufacture and marketing of computer systems, wishes to appoint a financial controller. He will be responsible for formulating financial policy, developing up to date accounting and liquidity control systems, monitoring the results of operations and providing meaningful information to the Board and management at all levels, supported by an able team of young accountants.

Basic requirements

* A qualified accountant, aged 40 to 50
* At least 5 years' industrial or commercial experience at senior level
* Leadership and administrative ability.

A salary upwards of £6,000 will be offered together with pension, life assurance and car allowance and there are good prospects for further promotion.

Brief but comprehensive details of salary and career to date, which will be treated in strictest confidence, should be sent to Executive Selection Division.

Cooper Brothers & Co. Limited, Management Consultants, Abacus House, Gutter Lane, London, E.C.2.

Company Secretary

to strengthen the executive structure of a long established and successful company engaged in spinning and cloth manufacture. Turnover approaches £7M.

• THE role is to manage the secretarial and accounting functions and to maintain prompt financial information for management in line with current accounting developments.

• THE requirement is for a Chartered Accountant of boardroom potential with substantial experience managing financial controls in a textile manufacturing context. Experience of working environments in the North would be an advantage.

• PREFERRED age middle 40's. Salary of interest to those already earning at least £4,500. Car provided. Location West Riding.

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Location is near Dusseldorf. Remuneration will be of the order of £4,000 and paid locally. Accommodation and a car will be provided.

Please apply in the strictest confidence quoting reference number 1268 to Clive and Stokes, 14, Bolton Street, London, W1Y 8JL.

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PART TIME representatives required—all areas—minimum commission £25 per week—no selling, but car and telephone essential. Kindly apply by letter. Courtney Judge Ltd., 19 Reddish Lane, Manchester, 18.

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have vacancies for staff with some experience in the following departments:—Dividends, ledgers, transfers. Aged 19-28 male or female. These positions are permanent and pensionable and give scope for promotion to managerial level. Write stating age, experience, and present salary to Box A.2116, Financial Times, 10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

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COMPANY NOTICES

FAS INTERNATIONAL OVERSEAS CORP

(formerly Famous Schools Overseas Corp.)

U.S. $10,000,000 5¾ per cent Guaranteed Bonds 1982 Guaranteed by and Convertible into the Common Stock of FAS International, Inc.

(formerly Famous Artists Schools, Inc.)

NOTICE IS HEREBY GIVEN that a MEETING of the Holders for the time being of the above named Bonds for the time being outstanding will be held at 30, Gresham Street, London EC2P 2EB on 31st August, 1971, at 11 o'clock in the forenoon for the purpose of considering and, if thought fit, passing the following Resolutions:—

RESOLUTIONS

I. THAT this Meeting of the Holders of 5¾ per cent Guaranteed Bonds 1982 of FAS International Overseas Corp. (formerly Famous Schools Overseas Corp.) hereby

a. appoints Mr. H. Beresford-Peirse and Mr. P. S. Darling as a Committee generally to represent the interests of the Bondholders for the time being and to exercise all the powers conferred upon and exercisable by the Bondholders in general meeting, including without limitation the power:—

(1) to cause the acceleration of the maturity date of the Bonds in the event there is or has been a default under the Terms and Conditions thereof;

(2) to institute and participate in legal proceedings of whatever nature in which the interests of the Bondholders may be involved or in any way affected;

(3) to appoint sub-agents, including legal advisers;

(4) to sanction and/or assent to any modification of the Terms and Conditions of the Bonds or the Guarantees or to any compromise or arrangements between the Bondholders, the Company and the Guarantor and to the exchange of the Bonds for or conversion of the Bonds into bonds, notes or other obligations or securities of the Company or any other company or body;

(5) to reimburse itself for the reasonable costs and expenses incurred or to be incurred by or on behalf of the Committee:

and further, that the Committee's constitution, powers and proceedings will be governed by the rules hereby adopted, a copy of which has been laid on the table and signed by the Chairman of the Meeting, and

b. approves reimbursement of all reasonable out of pocket expenses incurred since 1st June, 1971 or to be incurred hereafter by or on behalf of the Paying Agents or the convening Bondholders in protecting the interests of the Bondholders including without limitation convening and holding this meeting and any adjournment thereof.

II. THAT, subject to the occurrence of an event of default under the Terms and Conditions of said Bonds prior to the date of this meeting or any adjournment thereof, this meeting of the Holders of 5¾ per cent Guaranteed Bonds 1982 of FAS International Overseas Corp. (formerly Famous Schools Overseas Corp.) hereby accelerates the maturity date of the said Bonds pursuant to the Terms and Conditions thereof and requests immediate repayment thereof.

NOTE

Under the terms of the Bonds, Bondholders may not attend or vote at this Bondholders' Meeting except upon the presentation at the Meeting of either (i) a Bond or Bonds or (ii) a bond deposit Certificate issued by S. G. Warburg & Co. Limited, London or The Chase Manhattan Bank, N.A., New York or Algemene Bank Nederland N.V., Amsterdam or Banque Internationale à Luxembourg, S.A., Luxembourg. Bondholders who are unable to attend the meeting in person are urged to deposit their Bonds with one of the above-named Banks and to direct such Bank to forward a bond deposit Certificate and a Letter of Instruction to S. G. Warburg & Co. Limited, 30 Gresham Street, London EC2P 2EB. Both a bond deposit Certificate and a Letter of Instruction may be obtained from the above-named Banks.

Bondholders whose Bonds are presently in the custody of a bank or other institution which is not one of the above-named Banks should arrange to have such Bonds forwarded to one of the above-named Banks with directions that the Bank forward a bond deposit Certificate and Letter of Instruction to S. G. Warburg & Co. Limited.

Signed LINKLATERS & PAINES
for and on behalf of the Holders of not less than 20 per cent of the nominal amount of the Bonds for the time being outstanding.

GREATERMANS NATAL AND FREE STATE HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO 6%, SECOND 6% AND THIRD 6% PREFERENCE SHAREHOLDERS DIVIDENDS ON 6%, SECOND 6% AND THIRD 6% PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the *following dividends payable on the* 30th September 1971 to 6%, Second 6% and Third 6% Preference Shareholders registered in the books of the Company at the close of business on Friday 20th August, 1971:—

A. 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES — DIVIDEND No. 25
A dividend at the rate of 6% per annum for the six months ending 30th September 1971—equivalent to 6 cents per share.

B. SECOND 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES—DIVIDEND No. 25
A dividend at the rate of 6% per annum for the six months ending 30th September 1971 — equivalent to 6 cents per share.

C. THIRD 6% REDEEMABLE CUMULATIVE PREFERENCE SHARES — DIVIDEND No. 3.
A dividend at the rate of 6% per annum for the six months ending 30th September 1971—equivalent to 6 cents per share.

The dividends are declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency at par at the rate of R1.7143 to £1 United *Kingdom currency provided there is no* difference that may be regarded by the Board as material between South African and United Kingdom currencies on 30th September, 1971. Should there be *any such material difference* the London Office will pay on the basis of the equivalent United Kingdom currency calculated at the rate of exchange ruling on that date.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African tax.

The Company will where applicable deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the dividends the 6%, Second 6% and Third 6% Preference Share Registers will be CLOSED from the 21st August to the 10th September, 1971 both days inclusive.

Dividend cheques in payment will be posted on or after the 30th September 1971.

By Order of the Board
I. B. MEHL, Secretary

Head Office:
220, Commissioner Street
JOHANNESBURG
London Office:
35/37 Chiswell Street
LONDON E.C.1

TOWN & CITY PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of the Ordinary Shares of this Company will be CLOSED from 6th September 1971 to the 15th September 1971 both dates inclusive for preparation of dividend warrants.

By Order of the Board
N. S. SAUNDERS, Secretary

10/13 Dominion Street
London E.C.2
4th August, 1971

DE BEERS CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER

PAYMENT OF COUPON No. 124

With reference to the notice of declara*tion of dividend advertised in the Press on* 9th June, 1971, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of one Rand (R1.00) per share was declared *in South African* currency. South African non-resident shareholders' tax at 14.802 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 85.198 cents per share. The dividend on bearer shares will be paid on or after 6th August 1971 against surrender of coupon No 124 as under:—

(a) At the offices of the following continental paying agents to residents of the countries concerned for payment in the appropriate local currency:

Banque Rothschild, 21, rue Laffitte, Paris, 9e.
Banque de Bruxelles, 2, rue de la Regence, Brussels.
Banque Lambert, 24, Avenue Marnix, Brussels.
Societe Generale de Banque, 3, Montagne du Parc, Brussels
Credit Suisse, Paradeplatz, Zurich.
Union Bank of Switzerland, Bahnhofstrasse 45, Zurich.
Swiss Bank Corporation, Basle.
Banque Lambert-Luxembourg, 59, Boulevard Royal, Luxembourg.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 10/11, Austin Friars, London, EC2N 2EY. Coupons lodged at the London Bearer Reception Office will be paid in United Kingdom currency at the present par of exchange, i.e. at the rate of R1 equals 58.33333p United Kingdom currency.

Coupons must be left four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom Income tax will be deducted from coupons presented for payment at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made, the net amount of the dividend will be 35.72916p per share arrived at as under:—

	South African Currency Per Share	U.K. Currency Equivalent Per Share
	cents	p
Amount of dividend declared	100	58.33333
Less: South African non-resident share-holders' tax at 14.802%	14.802	8.63450
	85.198	49.69883
Less: U.K. income tax at 23.948% on the gross amount of the dividend of 58.33333p		13.96967
		35.72916

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.
London Secretaries.
J. R. Byles.

London Office
40, Holborn Viaduct,
[illegible]
5th August, 1971.

NOTE—The Company has been requested by the Commissioners of Inland Revenue to state—

Under the double tax agreement between the United Kingdom and the Republic *of South Africa, the South African* non-resident share holders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction *of tax at the reduced rate of 23.948%* instead of at the standard rate of 38.75% represents an allowance of credit at the rate of 14.802%.

THE SOUTH AFRICAN LAND & EXPLORATION COMPANY LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

PAYMENT OF COUPON No. 67

With reference to the notice of declaration of dividend advertised in the *Press* on 11th June, 1971, the following information is published for the guidance of holders of share warrants to bearer.

The dividend of 20 cents per share was declared in South African currency. South African non-resident shareholders' tax of 3 cents per share will be deducted from the dividend payable in respect of a share warrant coupons leaving a net dividend of 17 cents per share. The dividend *on bearer shares will be paid on or after* 6th August, 1971 against surrender of coupon No. 67 as under:—

(a) At the offices of the following continental paying agents by *residents of the countries concerned* for payment in the appropriate local currency:
Banque de l'Union Parisienne, 6 & 8, Boulevard Haussmann, Paris 9e.
Banque Lambert, 24, Avenue Marnix, Brussels.

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 10/11, Austin Friars, London, EC2N 2EY. Coupons lodged at the London Bearer Reception Office will, in accordance *with the conditions of payment of* the dividend be paid until further notice in United Kingdom currency at the present par of exchange i.e. at the rate of R1 equals 58.33333p *United Kingdom currency.*

Coupons must be left four clear days for examination and may be presented any weekday (Saturday excepted) between the hours of 10 a.m. and 2 p.m.

United Kingdom Income tax will be deducted from coupons presented for payment at the London Bearer Reception Office unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made the net amount of the dividend will be 7.14583p per share arrived at as under:

	Sth African Currency Per Share	U.K. Currency Equivalent Per Share
Amount of dividend declared	cents. 20	p 11.66667
Less: South African non-resident share-holders' tax at 15%	3	1.75
	17	9.91667
Less: U.K. income tax at 23.75% on the gross amount of the dividend of 11.66667p		2.77084
	Net Amount	7.14583

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries.
E. Burrows

London Office:
40 Holborn Viaduct EC1P 1AJ.
5th August 1971.

Note: The Company has been requested by the *Commissioners of Inland* Revenue to state:

Under the double tax agreement between the United Kingdom and the republic of South Africa the South African *tax applicable to the dividend is allow*able as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 23.75% instead of at *the standard rate of 38.75% represents* an allowance of credit at the rate of 15%.

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SOUTH AFRICAN TOWNSHIPS, MINING AND FINANCE CORPORATION LIMITED
(Incorporated *in the Republic of South Africa*)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER

PAYMENT OF COUPON No. 69

With reference to the notice of declaration of dividend advertised in the Press on *4th June 1971, the following information* is published for the guidance of holders of share warrants to bearer.

The dividend of 7.5 cents per share was declared in South African currency. South *African non-resident shareholders'* tax at 1.125 cents per share will be deducted from the dividend payable in respect of all share warrant coupons leaving a net dividend of 6.375 cents per share. The dividend on bearer shares will be paid on or after 6th August, 1971 against surrender of coupon No 69 as under:—

(a) At the office of the following continental paying agent by residents of the country concerned for payment in the appropriate local currency:
Banque de l'Union Parisienne, 6 & 8 Boulevard Haussmann, Paris 9e

(b) At the London Bearer Reception Office of Charter Consolidated Limited, 10/11 Austin Friars, London, EC2N 2EY. Coupons lodged at the London Bearer Reception Office will in accordance with the conditions of payment of the dividend, be paid until further notice in United Kingdom currency at the present par of exchange, i.e. *at the rate of R1 equals 58.33333p United Kingdom currency.*

Coupons must be left four clear days for examination and may be presented any weekday (Saturday excepted) between the *hours of 10 a.m. and 2 p.m.*

United Kingdom income tax will be deducted from coupons presented for payment at the London Bearer Reception Office unless such coupons are accompanied by Inland Revenue declarations. Where such deduction is made the net amount of the dividend will be 2.67969p per share arrived at as under:—

	South African Currency Per Share	U.K. Currency Equivalent Per Share
	cents	p
Amount of dividend declared	7.5	4.375
Less: South African non-resident share-holders' tax at 15%	1.125	.65625
	6.375	3.71875
Less: U.K. income tax at 23.75% on the gross amount of the dividend of 4.375p		1.03906
	Net Amount	2.67969

For and on behalf of
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
London Secretaries.
E. BURROWS.

London Office
40 Holborn Viaduct, EC1P 1AJ.
[illegible] August 1971

NOTE: The Company has been requested by the Commissioners of Inland Revenue to state:—

Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 23.75% instead of at the standard rate of 38.75% represents an allowance of credit at the rate of 15%.

INTERNATIONAL SECURITIES FUND
SOCIETE ANONYME—LUXEMBOURG

During the second quarter of the current year the progressive falling [illegible] of the United States market and the continuing weakness of the Italian bourse negatively influenced the market value of securities in portfolio which globally at the end [illegible] June, registered an overall depreciation of $1 591,833.3[illegible] such depreciation amount, while greater than that registered at the end of the preceding quarter is nevertheless inferior to the figure for December 31, 1970.

Net asset value per share of International Securities Fund at the end of the quarter amounted to $6.63 as against $6.79 at March 31 and $6.48 at December 31 of last year.

Copies of the quarterly report are available at the Company's Head Office at 14, Rue Aldringer, Luxembourg, at the registered office in Italy [illegible] Roma, Naples and may be obtained from any branch office of Banco di Napoli.

REED INTERNATIONAL LTD

6¾% 1968/1983 Loan of UA 12,000,000

NOTICE IS HEREBY GIVEN that the amount redeemable on October 15, 1971, i.e., UA 250,000, was bought into the market. Amount outstanding: UA 11,250,000.

Trustee
KREDIETBANK
S.A. Luxembourgeoise

RAND SELECTION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
PAYMENT OF COUPON No. 111

*With reference to the notice of declara*tion of dividend advertised in the Press on 4th June, 1971, the following information is published for the guidance of holders of share warrants to bearer.

[illegible]

KAJIMA CORPORATION

European Depositary Receipts "EDRs" issued by
EUROPEAN OVERSEAS ISSUING CORPORATION
Dividend Coupon No. 4

NOTICE IS HEREBY GIVEN [illegible] coupon no. 4 is applicable to [illegible] semi-annual dividend of Yen 5 [illegible]

[illegible]

THE CONSOLIDATED DIAMOND MINES OF SOUTH WEST AFRICA LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO HOLDERS OF PREFERENCE SHARE WARRANTS TO BEARER
PAYMENT OF COUPON No. [illegible]

[illegible]

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

Notice of dividends to holders of Ordinary and Preference Stock Warrants to Bearer

[illegible]

NOTICE OF MEETING OF CREDITORS
CHESTERFIELD FILMS LIMITED

NOTICE IS HEREBY GIVEN [illegible]

PARLIAMENT

Callaghan puts plan for a Council of All Ireland

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. JAMES CALLAGHAN, "shadow" Home Secretary, yesterday urged the establishment *of a Council of All Ireland* and that Irish Republic's Prime Minister Mr. Jack Lynch and Ulster Prime Minister Mr. Brian Faulkner should be invited to London without delay for discussions.

This controversial proposal, bitterly challenged from the Tory backbenches during a Commons debate on the critical situation in Ulster, was not taken up by the Government.

Mr. William Whitelaw, Leader of the House, assured MPs that the Government, working with Stormont, would do everything in its power to root out terrorism.

Deep sense

But Ministerial assurances failed to prevent acrimonious clashes, and the debate—ostensibly on the question of whether or not the House should adjourn until October 18 for the summer recess—occupied MPs until time was called and the motion to adjourn carried by 64 votes to 23.

In the bitter accusations that were hurled, **Mr. Frank McManus** (Unity, Fermanagh and S. Tyrone), accused the Army of *terrorising and killing innocent* civilians. **The Rev. Ian Paisley** (Prot. U., N. Anthrim) demanding that the IRA be brought to book, condemned Mr. Callaghan's suggestion. Others demanded a ban on the August 12 March of Londonderry Apprentice Boys.

Mr. Callaghan said: "I don't think I have ever approached the Irish situation with as deep a sense of foreboding and impending tragedy as I do to-day.

"*It is clear the Government* has, so far, failed either to reconcile the minority or reassure the majority, and it is because of this that the instrument for which we are primarily responsible, the Army, is faced with a worsening in its own position.

"They are being asked to carry responsibility for a situation *which the politicians have failed* to resolve."

CALLAGHAN . . . a deep *sense of foreboding.*

Mr. Callaghan said any Council for All Ireland would have no legislative or administrative responsibility.

"It should be formed from members of both Stormont and the Dail with a view to discuss*ing problembs of mutual con*cern to both the North and the South."

There was a psychological need and a rational use for saying it was time the two Parliaments of the North and South met together to discuss problems of mutual concern. This suggestion *had been made 50 years ago* but then the South refused to cooperate.

"Now I believe Ulster would be unwilling and the South would be for it."

***Mr. Reginald Maudling**, Home* Secretary, said he agreed with those who said the IRA had declared war on the British Army. *He also agreed that the IRA con*stituted a small part of the Catholic community and that intimidation was being practised.

Secret society

Mr. McManus said the Unionists thought they had the solu*tion—constitutional ties backed* up by the guns and tanks of the British Army. But this had been shown to be a dismal failure. The British Government should undertake a review of the whole Irish situation.

He said that the people who had stockpiled petrol bombs to burn out Catholic houses had never been brought to book.

These people belonged to the same sinister secret society and the same party which had egged on their half-demented followers into the pogroms of Belfast in 1969. And yet the Unionists came to Parliament and talked of "sweet reason."

The Rev. Ian Paisley said: "The IRA are out for a united Ireland. Nothing will give them succour and strength in their task in Northern Ireland more than the suggestion that if they keep the pressure up, if they keep the bombing going, if they *resist the acts of the Army to* bring them under control they will achieve the object on which they are set.

"But the vast majority of people in Northern Ireland will not have a united Ireland. There is one matter which goes right down into their hearts and that *is the fact they are part and* parcel of the United Kingdom and they want to remain part and parcel of the United Kingdom."

He said Mr. Lynch and his Government, under their constitution, claimed that hey controlled the North of Ireland. "The vast majority of the people of Northern Ireland would look on any suggestion of setting up a Council of Ireland as the beginning of a sell-out of their constitutional position."

Mr. Gerry Fitt (Rep. Lab. Belfast W) said there was a section of the community in Northern Ireland which believed *that the answer to Northern* Ireland's problems was to introduce internment, re-form the B-Specials and re-arm the police *force.* There was another section which believed the answer lay in disbanding the Orange Order and getting the British Army out of Ireland as soon as possible.

"These two roads would lead to ultimate disaster, not only for Northern Ireland, but for the island of Ireland and these *British Isles.*

"I do not believe the unity of Ireland will be advanced by one second by the killing of a British soldier or the letting-off of a bomb."

Normal lives

Mr. Whitelaw said: "No one can really produce a perfect solution which does not pose many other difficulties.

"Let there be no doubt at all *with anyone in Northern Ireland,* that the British Government, working with the Stormont Government, will do everything in their power to root out terrorism and stop violence

"Our clear and plain objective is to do everything in our power to ensure people of all communi*ties in Northern Ireland can go* about their normal lives and businesses in peace without fear."

Sir Alec to be told of peers' call for Crown Agents inquiry

BY JUSTIN LONG

"DISQUIETING ALLEGATIONS" concerning the investment policy of the Crown Agents and demands for an investigation are being passed on to Sir Alec Douglas-Home, Foreign Secretary, in the light of an article in yesterday's Guardian.

Lord Lothian, Under-Secretary, Foreign Office, pressed in the Lords to give the Government's view of the contentions made in the article, said: "I have no *reason to suspect that it is sub*stantially inaccurate."

'£1,000m. funds'

But the Crown Agents were only responsible in their investment of funds to their overseas principals, who were mainly independent governments and other public bodies, the Minister told peers when he was urged to indicate what supervision the British Government could exercise.

Anxieties raised from both sides of the House included the *possibility* that the "best interests of the economy" might be affected in the context of an estimate that the Crown Agents managed funds totalling about £1,000m., which came from more than 250 overseas governments and public authorities.

The Guardian article alleged that this money could be "tapped by property developers, bankers and other entrepreneurs."

A question from **Lord** *Selkirk prompted the probe by* peers into the policy for investing these funds from overseas pursued by the Crown Agents.

Lord Lothian said: "They do this on the instructions and authority of their principals and the British Government does not intervene in these operations."

The Minister also agreed to a suggestion from Lord Selkirk that the Government had no routine discussions with the Crown Agents on investment policy, gave no approval for in*vestments, and certainly had no* power to direct the Crown Agents in any way.

"That is quite correct," said Lord Lothian. "Crown Agents are only responsible to their principals in these matters."

Lord Peddie (Lab.) asked if the Crown Agents were appointed by the Government. "Can the Government confirm or deny that executives of the Crown Agents hold directly, or through *nominees shares in companies* promoted with Crown Agents' funds?"

Lord Lothian answered that *the Agents were appointed by the* Government but he would like to say nothing on the other question.

Lady White (Lab.) said: "We have all, I suppose, read The Guardian this morning and I am sure it will be appreciated that we would wish to have some comment about the *allegations* in it, for they are very disquieting."

'Personal fortunes'

Lord Lothian said he had not read The Guardian article fully. "But I have no reason to suspect *that it is substantially inaccurate.* I would like time to consider the matter."

Lady Llewelyn-Davies of Bastoe (Lab.) asked the Minister to promise that there should be an investigation with a report as soon as possible.

Lord Lothian said that request would be conveyed to the Foreign Secretary.

Lord Brockway (Lab.) said: "I view of your view that The Guardian article may not be substantially inaccurate, can you answer two questions?

"To whom are the Agents responsible?

"Are the developing countries *aware that their money is being* used to benefit London property owners, bankers and other private enterprise, enabling individuals in the words of The Guardian to build up personal fortunes?"

Lord Lothian repeated that the Agents were responsible to their principals "whoever they may be."

"The other item is a matter for the Crown Agents. Their principals have every right to ask the Agents how they are investing their money and what activities they are indulging in. *I can say no more.*"

Lord Fletcher (Lab.) said that it had been reported in The Guardian that one of the Crown Agents had said that he had some kind of responsibility to the Foreign Secretary.

"Could Lord Lothian bear in mind that it would be most disquieting if it was a fact, as it suggested, that in pursuing their investment policies, the Crown Agents were not supposed to *have regard to the best interests* of the economy of this country."

Lord Lothian said he would pass on that comment to the appropriate Minister.

Lord Pargiter (Lab) asked if the Agents enjoyed legal immunity under the Crown. Lord Lothian said he could not say.

Lord Thornycroft said: "While there has been criticism of the Crown Agents, they have for many years done a very good job of work and we might end up in a worse position if we changed things too rapidly."

Lord Peddie asked what action would be taken if there was an immediate withdrawal of funds *from the Crown Agents.*

Lord Lothian said: I think that this is a matter for the Treasury."

Lord Beswick, Opposition Chief Whip, asked who appointed the Agents and who had power to dismiss them.

Lord Lothian said: "They are appointed by the Government."

Lord Brockway said he had an internal document published by the Crown Agents listing their investments. "It is a secret *document but I have a copy and* I want to know why, if these things are published, the facts should not be publicly announced. Should not the Agents announce publicly where money is placed?"

Lord Lothian said: "You are more fortunate than I. I have not seen that document."

These points

Lord Davies of Leek (Lab.) said he had seen the excellent work done by the Crown Agents in South-east Asia and he would cast no aspersions. "But when public money is involved, should *we not try to see that as much* information as possible is given to Parliament?"

Lord Selkirk added at the end: "The sooner all these points are answered, in public, the better."

Defence Ministry to take over Aldermaston

BY DAVID FISHLOCK AND PHILIP RAWSTORNE

RESPONSIBILITY for Aldermaston, the Atomic Weapons Research *Establishment*, responsible for the development, manufacture and testing of Britain's nuclear warheads, is to be transferred in 1972 to the Ministry of Defence.

Announcing the transfer in a statement to the Commons yesterday, **Mr. John Davies**, Secretary for Trade and Industry, recalled that the move had been recommended by the Rayner report on Government organisation *for defence procurement* and civil areospace, in April.

The transfer affects about 6,000 people, roughly a third of the *staff* of the U.K. Atomic Energy Authority. Most of the staff are based at Aldermaston, near Reading, the establishment for research, manufacture and servicing of warheads. But a few hundred people are employed at two other sites in Essex—Orfordness, an environmental testing site, already *being closed* down by the authority; and Foulness, where field trials of weapons are made and blast *effects* assessed.

Long-standing

The Ministry of Defence, said Mr. Davies, would manage the transfer, but he and Mr. Frederick Corfield, Minister for Aerospace, would continue to deal with matters *affecting the rest of the* authority.

Terms for those transferred to defence should, on the whole, be no less favourable, he indicated. About 19 per cent. of the work, however, is for civil agencies, including fast reactor work for the authority itself and other contracts for the *Department* of Health, the Home Office and the Science Research Council.

The Government's decision roused considerable concern among Labour MPs.

Mr. Anthony Wedgwood Benn, the Labour spokesman, said the change involved a major constitutional question which should be publicly debated.

For the first time—in *any Western country—nuclear* weapons research and production would be placed under a Defence Minister who would be responsible for the strategy and possible use of the weapons. It was a major reversal of a long-standing policy.

"It means that the Cabinet will receive its advice on nuclear matters from one Minister only, not from two Ministers, one responsible for the scientists and one for military strategy."

Long term

Mr. Davies said that the Government had decided that only if AWRE and other defence research establishments were brought under the same management could the substantial rationalisation that was required be achieved.

It was intended to introduce a *Bill next session so that the* transfer could be implemented in the summer of 1972. Future arrangements for the civil work *now* done in the AWRE would be discussed with the Atomic Energy Authority and the continuity of this work, especially that on the fast breeder reactor, would be ensured.

Mr. Davies said that he could not rule out the possibility of further change at some time—"*the Government is considering* how best the electricity supply industry and the nuclear industry could be more closely involved in reactor research and development."

Though some continuing reduction in AEA staff was envisaged, Mr. Davies said the Government foresaw the need for a substantial long term programme of important research *and development work.*

Replying to Mr. Benn, he said that although direct responsibility for the AWRE would lie with the Minister of Defence, the Government as a whole would be involved in policy-making decisions.

Mr. Frank Allaun (Lab., Salford E.) suggested that this "reactionary and dangerous" proposal breached the Non-Proliferation Treaty. The decision *would also mean that* research for peaceful purposes would be subordinated to military research.

First weapon

Mr. Davies denied both suggestions—but failed to satisfy Labour MPs. Mr. Benn told him: "A reversal of policy of a kind being pursued by all Governments since nuclear weapons were first developed, which al*ways put their control directly* under the Prime Minister or a separate Minister to whom scientists could go without feeling they were liable to someone who might be in a position to use them, is a major constitutional question."

Mr. Davies said he recognised the importance of the issue but thought it could be adequately debated when the legislation was introduced.

Aldermaston's present director is Mr. E. F. Newley, under the Member for Weapons Research and Development, Sir Denis Barnett. For several years its principal research effort has been the monitoring of nuclear weapon advances elsewhere in the world, although there have been persistent rumours of a new research programme to develop a multiple-target war*head. It is also renowned for its* seismic work on the detection and assessment of underground nuclear tests.

Nuclear weapons also require regular servicing, and all warheads pass through Aldermaston at six-monthly intervals for renewal of their neutron triggers.

Charter flights code proposed

BY RAY DAFTER

MICHAEL NOBLE, Minister ... Trade, told the Commons ...erday that he was consider... proposals for a code of prac... covering group charter ...its.

...arious proposals have been ...nitted to the Department of ...de and Industry by U.K. ...ter airlines which claim they ... frustrated by the present ...litions surrounding affinity ...up flights.

...mong the recommendations ... forward, I understand, has ... the easing of regulations ...ting to affinity group ...ibership, regulations which, ... some of the airlines, are out... ...d and difficult to enforce; ...e control over the number of ...ter operators on particular ...es; and some control over ... agencies selling charter ...ets.

...w safeguards

...e airlines have told the DTI ... the activities of some irres...sible ticket sellers have put ... holidays and trave arrange...ts of many passengers in ...ardy. While the carriers ...d it extremely difficult to ...e the system, to ensure that *passengers were bona fida* ...ity group members, they ... often blamed when flights ... cancelled.

...w *safeguards for travellers* ...ted by the cancellation of ...ter flights may be provided ...r the Civil Aviation Act ...h received Royal Assent ...re Parliament adjourned ...he summer recess yesterday.

... Anthony Grant, Under-...etary for Trade and Industry, ... MPs that one section of the ... provided powers to make ...lations dealing with the ...s of travel organisers' ...ices.

...e went on: "We have in ...d that these regulations ...ld be broad enough to allow ...Civil Aviation Authority to ...ire a travel organiser to ...nd money in these circum...ces and possibly also to ...ire that there should be ...rity of some kind so that ...money will always be avail... Meanwhile intending pas...ers would be prudent to deal ... with reputable travel ...nisers."

...ouncils to run ...eplacement ...us services

...POSALS TO remove from ...sh Railways Board the cost ...il replacement bus services ...transferred to the National ... Company or the Scottish ...sport Group, were an...ced by **Mr. John Peyton**, ...ster for Transport Industries. ...e residual obligation to bear ...cost of these replacement ...ces which have been in ...ation for two years, will in ...e be the responsibility of ... authorities.

... said: "It will be for local ...orities, and other local ...ests concerned, to consider ...ach case, where necessary, ...her *there is a continuing* ...for any of the bus services ...erned, the possible use of ... powers of grant-aid under ...Transport Act, or any other ... of meeting the need.

...o give time for such con...ation, and for any necessary ... consultations, the variation ... not take effect until six ...hs from to-day."

...oyal Assent ...r 23 Bills

...ORE Parliament *adjourned* ...rday for the summer recess ... Monday, October 18, the ...nce Bill and the Industrial ...*ions* Bill were among 23 ...ic and private Bills to be ... the Royal Assent.

...her important measures ...h now become Acts of Par...nt include: the Civil Avia... Bill, the Housing Bill and ...Hijacking Bill.

...t the Immigration Bill has ... to complete its passage ...gh the Lords, and the ...rnment and peers are likely ...me under *some* pressure in ...ng with its remaining stages ... the House reassembles for ... days in October prior to ...formal opening of the next ...on.

...SHMORE'S NEW ...GREEMENT WITH ...PPON STEEL

...nmore Benson Pease, part of ... Davy-Ashmore group—has ...uded a technical agreement ... Nippon Steel Corporation ...*okyo, covering the design* ...operation of OG equipment. ...is the second technical agree... ...in 18 months to be signed ...shmore with Nippon Steel.

...der it, Ashmore will be able ...pply OG equipment, based on ...on Steel's designs and operat... ...experience, to steelmakers in ...in, *Europe,* Australia and ... Africa.

Vehicle and General Tribunal of Inquiry

BIA views "differed from Ministry's"

A COMPLETE DIFFERENCE in outlook between the Board of Trade and the British Insurance Association was alleged at the tribunal inquiry yesterday into the collapse of the Vehicle and General Insurance Company.

Mr. Norman Nail, a principal in the Department of Trade and Industry, was being questioned by Mr. R. I. Threlfall, QC, for the British Insurance Association.

Mr. Nail said he accepted in theory that the requirements of the supervisory authority might be quite different from the ***management's requirements.***

He agreed that it was fair to say that during the Sixties there had been a complete difference of view between BIA and the Board of Trade over the V & G situation.

"Sometimes," he said, "the industry took a classical conservative view that whatever was working at the moment must be the best way of doing things, but this is not always necessarily the truth."

The Board had taken the classical theoretical view of seeking to find something perfect whether it was really practical *or not. He hoped that* they had reached an intermediate position.

Further questioned by Mr. Threlfall, Mr. Nail said that V & G's argument had been that they were taking a new view *of motor* insurance; it was a problem of judgment—to decide how much their view was based on good, but new, ideas and how much on cutting corners.

Mr. Threlfall asked: "If, in the early years of the company's business, the Department found that V & G was developing ill-practices, surely the Department would want to stamp out these ill-practices at the earliest possible moment, in order that they would not lead in the long run, to a monumental disaster for policyholders?"

Mr. Nail replied: "If you mean by that did I wish I had some *powers to interfere in the manage*ment of V & G's business, the answer is 'yes.' If you mean did I have the powers, but did not use them, then the answer is that I did not have the powers."

Anxiety

Mr. Threlfall said that, if Mr. Nail had had the idea of ill-practices present in his mind, surely his approach to the doubt should have been to exercise *Section 14 powers rather than* resolve the doubt in favour of a company whose practices were the source of anxiety.

Mr. Nail replied: "The problem, as I saw it at the time, was that our powers went on current solvency and there was no way in which we could say that there *was such an under-provision* that this would render V and G insolvent within the meaning of the Insurance Companies Act."

Mr. Threlfall told Mr. Nail that *he appeared to have approached* computation relating to future liquidity on a basis no sensible person would have thought appropriate.

Mr. Nail said he did not see why he should judge whether the Insurance Companies Act was sensible or not. He had administered it, and played a part in its amendments.

Why should he have to defend what the legislature did? To make those computations he would have to make in relation to future liquidity—and make them stick at the end of the line—he needed legal power to do it.

In the course of his selectivity, Mr. Hunt (V & G) had been making profits, but to continue expansion he had to keep doing so.

Mr. Threlfall suggested that if the company had pursued the *normal prudent practices of the* insurance industry the profits would not have looked so good. "You were dealing with someone who was very bombastic and expansion-minded. It was surely something which should have been in the forefront of your consideration when considering the accounts, particularly in 1963?"

Mr. Nail said the point of balance had to be decided between the consumer-protection *intentions of Parliament* in enacting insurance-company legislation, and the general policy of freedom of business to manage its concerns in the way it thought best.

Making this judgment was made harder by the nature of the legal powers the Board of Trade possessed in relation to protecting policyholders.

Assistance

Mr. Threfall asked Mr. Nail whether he welcomed the assistance the British Insurance Association sought to give. "Did you think it was proper that they should give the warnings they did?" he said.

Mr. Nail: "I thought it was quite proper they should proffer the information they did. The BIA *proffered information* on other companies as well as V and G. Sometimes they were right and sometimes they were wrong. I could not start from the proposition that whenever the BIA proffered advice it was always right, but I did start from the proposition that, whenever the BIA proffered advice, I should take it seriously."

Mr. Threfall said that the impression he had got from the documents was that he (Mr. Nail) *really did not welcome anything* coming from the BIA. He asked whether Mr. Nail approached the communications he got from the BIA with a preconception that they were communications from tiresome people.

Mr. Nail replied: "I approached them with the attitude that one had to consider what they were saying seriously. But in many cases what they were saying was already known to the Department. It was often very difficult to *deal with some of their points* because sometimes the Department could not discuss back again with the BIA what the Department knew. There could not be a meeting of minds."

He said that a situation would be reached where a series of letters would pass between the Department and the BIA with the Association repeating what it had said before.

Frustration

He added: "I could understand the feeling *of frustration* within the BIA on this because there was not a full discussion with them of all the facts we knew."

Mr. Nail said the Department was inhibited from revealing to the BIA matters they had been told in confidence by individual companies. He denied that his automatic reaction to anything the BIA said was that they were making misplaced criticisms.

Mr. Threlfall: "Because of the *antagonism being shown* by Mr. Hunt (V and G's chief executive) in relation to the BIA were you anxious to show him you were not influenced by the Association, *and did that affect your judgment* on the question of criticism of the accounts?"

Mr. Nail: "Not at all. I was anxious that Mr. Hunt should not know that some of the criticisms I was putting to him were made by the BIA, because it would appear to make me just a mouth*piece* of the BIA. The things I was putting to Mr. Hunt which I wanted him to do came from my own independent judgment."

Mr. Cyril Homewood, an Assistant Secretary in the Department of Trade and Industry, was questioned by Mr. Threlfall on evidence he had given *earlier in the inquiry* to **Sir Elwyn Jones, QC**, representing a number of named policy and shareholders in V & G. He had created the impression, Mr. Threlfall said, the motor insurance world was on the edge of a precipice. Did he on reflection wish to withdraw that answer?

Mr. Homewood said that he was conscious that, with the usual selective reporting, a wrong impression might have been given. The answer, of course, was to some extent conditioned by the question.

"I certainly did not intend to *create* the impression that the insurance world lives on the edge of a precipice, all the time," he said.

Hazardous

He had been trying to avoid giving too long an answer, but the answer would be, to spell it out more fully, that motor insurance was recognised by its nature to be one of the more hazardous classes of insurance, and it had *not been particularly profitable* in the last decade, especially in the last two years.

To that extent, one must suppose the resources of at least the weaker companies were under some pressure.

The inquiry continues to-day.

Committee to see union man

By John Bourne, Lobby Editor

THE COMMONS Committee of Privileges yesterday underlined the seriousness of the complaint against Mr. Alex Kitson, a senior official of the Transport and General Workers' Union, who was reported to have threatened to withdraw the union's cash *support from pro-Market Labour* MPs if they voted for entry into the EEC.

The committee is led by **Mr. William Whitelaw**, Leader of the Commons, and has among its members **Sir Peter Rawlinson**, the Attorney General, and the Speaker (Mr. Selwyn Lloyd).

In an interim report published yesterday it told the Commons that it has started its investigation into the allegations that Mr. Kitson had committed a breach of privilege. It adds that because of the summer recess "a considerable time must elapse before the committee will be able to complete its inquiry."

It then says that the Committee, nevertheless, feels obliged to draw attention to the *following passage* in the report of the Committee of Privileges (1946-47): "It is a breach of privilege to take or threaten action, which is not merely calculated to affect the MP's course of action in Parliament, but is of a kind against which it is absolutely necessary that Mem*bers should be protected if they* are to discharge their duties as such independently and without fear of punishment or hope of reward."

Mr. Kitson will later be interviewed by the committee and so may his general secretary, Mr. Jack Jones.

Wilson drops six points in opinion poll rating

BY JOHN BOURNE, LOBBY EDITOR

MR. WILSON'S "popularity rating" has suddenly dropped six points, but is still one point higher than Mr. Heath's, according to the latest public opinion *poll.*

In a survey conducted for the London Evening Standard, the Opinion Research Centre shows that Mr. Wilson's rating is down to 39 per cent., its lowest for a long time. Also Labour's lead over the Conservatives has fallen from 11 to 5 per cent., in the past month.

The Evening Standard says it cannot be asserted with certainty that these changes are linked to *the Common Market controversy* and its by-products—such as Labour's great internal squabble—but that the pollsters say it is most likely that they are. Normally Mr. Wilson's stock does *not change* much according to the opinion polls.

Over the last year about 45 per cent. of those questioned have tended to *say he would do a* good job as Prime Minister, but this month's big drop has occurred since his recent speeches in the Common Market controversy. Mr. Wilson will argue that this is due to the "character assassination" campaign run against him by the Conservative Press.

WALL STREET + OVERSEAS MARKETS

Technical rally holds—Index up 4.5

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 5.

A TECHNICAL RALLY made some headway on Wall Street to-day, when the list reacted favourably to the slowing of the rise in the Wholesale Price Index, despite the jump in the Industrial Commodities indicator.

The Dow Jones Industrial Average regained 4.53 to 869.45, after 851.56, while the NYSE All Common Index recovered 11 cents to $51.96. Volume, however, sharply decreased by 3.31m. shares to 12.1m., while advances led declines by 717 to 378.

The Wholesale Price index had slowed to an adjusted 0.2 per cent. rate. Acceleration in the Industrial Commodities Indicator was discounted, analysts said.

One analyst said the recovery to-day was due not so much to more buyers but lack of participation by the professional sellers who have dominated the market for over two weeks.

Other analysts were divided on the potential of the upturn.

Many operators were prepared to wait until Washington takes substantive and definite steps to cure economic malaise.

General Motors gained $⅞ to $76⅛ on its 4.1 per cent. price increase for 1972 models, which is slightly below the increases announced by For dand Chrysler. Ford were unchanged at $61½, while Chrysler shed $⅜ to $25¼.

Retailers generally responded to reports of higher July sales. Woolworth gained $1½ to $44 on a "definite rise in consumer buying" reflected in its July sales. Sears added $⅝ at $86⅛.

In "Glamours," Xerox finished ahead $1⅛ to $108⅛, Polaroid rose $1½ to $101½. Natomas added $1 at $4¾ and Bausch and Lomb advanced $1½ to $127½.

IBM finished unchanged at $287. Among other Computer issues, Burroughs rose $⅞ to $118, Control Data added $½ at $50⅛ and Memorex also improved $¼ to $28¾.

Aerospace issues were mixed. Lockheed Aircraft slipped $⅛ to $10⅛ and McDonnell Douglas lost $⅛ to $25⅛, but Boeing and Grumman each edged up fractionally.

Better earnings and increased dividends gave impetus to some issues. Berkey Photo put on $⅛ to $10⅛ on—improved second quarter results, while North American Rockwell gained $⅞ to $27⅛ on an increased quarterly dividend.

Golds swung upwards following the renewal of uncertainty in European Currency Markets.

Steels and Rails were below their post strike highs.

On the active list, Mead dropped $⅝ to $20¼. International Nickel lost $⅛ to $30⅛. May's Department Stores slipped $⅞ to $41½, while General Electric forged ahead $1 to $54⅛.

The American SE was slightly higher in light trading. The index rose 4 cents to $24.32 in a volume of 2.7m. (3.67m.) shares.

Volume leader was Mammoth Mart which fell $2/ to $20½—it expects "sluggish" July sales although they will be inflated by new s ore space this year.

Levitz Furniture advanced $2½ to $65½ on talk of an expected 70 per cent. profit improvement.

OTHER MARKETS

Canada irregular

Canadian Stock Markets finished irregular in light trading yesterday.

Golds rose 1.01 on index, buoyed by currency uncertainities in Europe. Industrials recouped 1.74, Western Oils firmed 0.26 and Papers gained 0.18. But Base Metals shed 1.05, Utilities gave way 0.58 and Banks lost 0.39.

Among Oils, Imperial Oil gained $1, Supertest advanced $1⅞ and Pacific Petroleum improved $1½, but Canadian Superior lost $1.

International Mineral and Chemical fell $5 to $15½ on poor earings. Noranda Mines declined $1½ and McIntyre Porcupine fell $2½. Falconbridge dropped $1½.

GERMANY — Easier after a steady opening. Wednesday's interest in Internationals was cut back sharply in view of monetary unrest and a technical reaction to previous firmness.

Hoechst lost Dm2.90 in major Chemicals, while Deutsche Bank dropped Dm3.50 in a dull banking sector. Siemens and AEG each declined.

MAN gave way Dm3.9, Volkswagen Dm4, Linde Dm3 and Metallgesellschaft Dm3, but Kali-Chemie and Glanzstoff each firmed.

In Bonds, Public issues gained, while Foreign Marks Loans were steady.

AMSTERDAM — Most Internationals eased.

Plantations were generally lower but Shippings firmed. Movements were narrow in local Industrials, Banks and Insurances rose, but Investment Funds retreated.

State Loans were steady.

BRUSSELS — Market remained generally weak. But Wagons-Lits rose Frs.8 and Canadian Petrofina also improved. Cockerill also regained Frs.4, but Union Miniere shed Frs.20 and Katanga eased.

Golds were relatively firm. Peugeot and Siemens eased, while Tanganyika rose.

SWITZERLAND—Markets were irregular. Swissair regained Frs.6. Major Banks closed steady to well maintained. Among mixed Financials, Bally were up Frs.10 on a co-operation agreement with the Melville Shoe of U.S.

State Bonds were generally maintained.

Dollar stocks were narrowly mixed in fairly heavy trading. German and Dutch shares were barely steady.

STOCKHOLM—Irregular trend.

MILAN—Firm undertone with widespread small gains in extremely limited trading.

Fiat gained Lire 15 to Lire 2,403 to lead Industrials generally higher. Insurances were mixed, with Assicurazioni Generali down Lire 100 to Lire 52,050. In Quicksilvers, Monteamiata gained Lire 14 to Lire 1,894.

Bonds were quiet but steady.

PARIS—Recent decline was halted and a number of shares gained ground. The confused monetary scene continued to overhang sentiment, however, and no signs of a real rally appeared.

Among Financials, the Credit Houses gained ground and Investment companies were also firm. Foods were mixed while, in Stores, Afrique Occidentale and Paris France each advanced.

CFP advanced Frs.7.8 and Aquitaine gained Frs.6 to again lead Oils higher. Engineerings and Electricals were mixed to lower. Internationals lost ground.

OSLO—Banks were well maintained, while Insurances and Shippings were irregular and Industrials easy.

VIENNA — Prices fluctuated within narrow margins in a quiet market.

COPENHAGEN—Generally well maintained. Banks and Commodities, however, were narrowly mixed.

TOKYO—Market eased initially, but rallied later on renewed interest in Oils, Insurances and Constructions. Volume 200m. (180m.) shares.

The uncertain European currency situation revived support for Oils and Insurances, which were expected to benefit from any yen revaluation.

Electricals were dull on reports that minimum export prices for TV sets to the U.S. would be raised.

AUSTRALIA—"Heavy" mines and isolated speculative issues recovered modestly in quiet trading. Oils were narrowly mixed, while Industrials were barely steady.

Developments from the Minsec liquidator sparked a few rises in associated companies. Aberfoyle jumped 42 cents to $1.50 and Cudgen added 10 cents at $1.45, but Consolidated Rutile eased 5 cents to $2.45.

Bougainville added 15 cents at $2.80, CRA firmed 20 cents to $8, as did New Broken Hill to $10.30.

Poseidon finished $1 up at $23.50, after $24.50 on its quarterly report. Great Boulder rose 10 cents while WMC recovered 13 cents to $3.42. Hamersley shed 5 cents to $3.67.

Whim Creek dropped 30 cents to $4.50 after reporting its 8 per cent nickel assay. Spargo advanced 30 cents to $1.30 but the Contributing shares fell 5 cents to 90 cents. Interstate eased 4 cents to 30 cents

BHP were up 20 cents to $13.42. Rothmans added 13 cents at $2.25.

JOHANNESBURG—Golds were steady at higher levels, following London buying of selective stocks. Mining Financials were mixed. Palamin gave ground in Coppers following the interim statement. Industrials were easier.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.*	Util. ф	Trading volume† 000's
Aug. 5	70.15	205.45	849.46	112.73	12,100
4	70.19	203.61	844.92	113.24	15,410
3	70.24	206.66	850.03	114.74	13,490
2	70.28	209.66	864.92	115.52	11,670
July 30	70.22	206.39	858.43	115.09	12,970
29	70.22	207.49	861.42	115.35	14,570
28	70.16	208.06	872.01	116.65	15,930
27	70.51	210.53	880.70	117.36	11,550
1971 High	71.98 (6/4)	232.79 (28/4)	950.82 (28/4)	128.39 (19/1)	—
Low	68.62 (4/1)	169.70 (4/1)	830.57 (4/1)	113.11 (8/8)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
ф All-time high 163.32 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 2	July 23	Aug 5 1970
3.73	3.60	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	Low	Thurs.	Wed.	Tues.	Mon.	Fri.
57.76 (28/4)	49.73 (4/1)	51.96	51.85	52.17	55.05	52.81

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,647	717	378	552

1970/71	Thurs.	Wed.	Tues.	Mon.	Fri.
New Highs	1	1	2	5	6
" Lows	88	155	124	57	121

AMERICAN SE ALL STOCKS AVERAGE

1971 High	Low	Thurs.	Wed.	Tues.	Mon.	Fri.
26.69 (22/4)	22.72 (4/1)	24.32	24.28	24.37	24.72	24.61
Volume (000's)		2,720	3,670	3,600	3,160	3,090

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 5	103.61	94.09
" 4	103.37	93.89
" 3	104.02	94.51
" 2	105.63	95.96
July 30	105.27	95.58
" 29	105.78	96.02
" 28	106.94	97.07
1971 High	115.34 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Aug. 5	July 28	Aug. 5 1970
Industrial div. yield pc	3.06	2.97	3.87
Price-earning ratio	17.42	18.01	15.30
Long-term Govt. Bds. yield pc	6.23	6.25	6.50

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Mead	283,400	20¼	−⅝
Intnl. Nickel	331,000	30⅛	−⅛
Amer. Tel. & Tel. Pf.	225,400	54½	+⅛
Utd. Fincl. California	147,500	7½	−1½
Texaco	145,900	33⅞	+⅞
Amer. Tel. & Tel.	137,600	43⅞	−⅛
McDonnell-Douglas	120,600	25⅛	−⅛
Pittston	117,300	44½	+⅛
Sony	116,700	15⅛	−⅛
May Dept. Stores	111,400	41½	+⅞

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 5	Aug. 4	High 1971	Low 1971
174.10	174.37	188.74 (2/1)	173.9 (4/1)

MONTREAL

INDUSTRIAL INDEX

Aug. 5	Aug. 4	High 1971	Low 1971
179.75	178.01	185.59 (20/4)	176.30 (4/1)

COMBINED INDEX

177.16	176.30	185.02 (20/4)	172.83 (22/2)

JOHANNESBURG

	Aug. 5	Aug. 4	High	Low
Industrials†	199.1	200.3	212.4 (9/6)	165.8 (1/1)
Golds†	84.1	83.6	89.3 (10/4)	78.7 (15/7)

†(1958=100). Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 60 Leading Stocks	Aug. 5	July 29	July 22
On Dividends	5.63	5.56	5.58
On Earnings	9.65	9.55	9.50

SYDNEY ALL ORD. INDEX

Aug. 5	Aug. 4	High 1971	Low 1971
478.83	475.81	519.81 (4/1)	475.81 (4/8)

Closed Aug. 2.

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Aug. 5	+ or −	Div. %	Yield %
202.08	+0.09	11.90	2.93
1971		High 204.60 (29/7)	Low 148.93 (5/1)

EUROPE

	Aug. 5	Previous	1971 High	1971 Low
Belg'm (m)	104.05	104.89	106.74 (30/7)	92.18 (5/1)
France (bb)	78.1	77.9	79.2 (28/7)	74.8 (5/1)
Germany*	106.70	107.67	112.71 (25/2)	94.96 (6/1)
Holland (o)	120.9	121.6	128.0 (8/4)	112.6 (6/1)
Italy‡	49.87	49.65	60.09 (5/3)	48.94 (12/7)
Sweden (p)	285.88	285.93	282.71 (23/6)	246.71 (6/1)
Switz'rl'd**	406.2	404.9	410.4 (16/4)	353.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1950. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Large assistance

Bank Rate 6% (April 1, 1971)

The authorities bought a large amount of Treasury bills yesterday from banks and Discount houses in order to meet a shortage emerging in highly uneven conditions. A shortage was carried over by the banks from the previous day, and revenue transfers to the Exchequer were greater than Government disbursements.

A rate of 5½ per cent. was offered for day-to-day loans in places to begin with, but 5⅞ per cent. came to be paid commonly, and late balances were taken at levels ranging from 5⅞ per cent. to 4½ per cent.

In the inter-bank market, a rate of 5½-5⅞ per cent was quoted for overnight loans to begin with, but a firmer tendency came in and 6-6½ per cent. had been reached by about lunch-time, while later deals were reported at 7 per cent to 8 per cent., and at somewhat higher levels in certain cases at the very end. Fixed period money tended to cheapen, once more.

Aug. 5	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter company loans	Discount market deposits	Treasury bills@	Bank bills@	Fine trade bills@
Overnight	—	5-8	5⅝-6	—	—	6⅛-6½	4-5⅞	—	—	—
2-days notice	—	—	5⅝-5¾	—	—	6⅛	—	—	—	—
7-days or 7-days notice	—	5⅞-6	5¾-5⅞	—	—	6½	4¼-6	—	—	—
One-month	[illegible]	5⅞-6	5¾-5⅞	6.25-6.00	6-6⅛	6½-6¾	—	—	—	—
Two-months	[illegible]	[illegible]-6⅛	5⅞-6	6.25-6.00	6⅛-6¼	—	—	[illegible]	[illegible]	—
Three-months	[illegible]	[illegible]-6⅛	6-6⅛	6.50-6.10	6¼-6⅝	6¾-7	—	[illegible]	[illegible]	7-7⅛
Six-months	6¼-6⅛	[illegible]-6⅜	6¼	6.36-6.20	6½-6¾	6¾-6⅞	—	—	[illegible]-6½	7¼-7¾
Nine-months	6½-6⅜	6⅝-[illegible]	6⅜	6.45-6.27	6¾-7	6¾-7½	—	—	—	—
One-year	6⅝-6½	6½-6⅛	6⅞-7	6.62-6.40	7⅛-7¼	7½	—	—	—	—
Two-years	7⅜-7¼	[illegible]-7½	7½-7⅝	7.51-7.00						

* Local authorities 7-days' notice, others 7-days' fixed. * Longer term mortgage rates: three-years 8-8½ per cent., four-years 8-8½ per cent., and five-years 8½-8½ per cent. @ Rates given are for buying. Selling rates for Treasury bills 5[illegible] per cent. for two-months', and 5[illegible] per cent. or 5 33-64ths per cent. for three-months. Selling rates for bank bills about 5[illegible] per cent. and for trade bills about 6-6½ per cent.

Finance House Base Rate (published by the Finance Houses Association) 6½ per cent. from August 2.

EXCHANGES AND BULLION

STERLING came on offer as the day went on, and fell 3/32 cent on balance against the U.S. dollar in inter-bank dealings to $2.41 27/32, partly as a result of the change in the setlement date. A fair business was done in the market as a whole, though dealings in French francs were restricted by uncertainty over the new regulations. The dollar was generally softer on balance against leading Continental currencies, with the mark rising 67½ points on balance to DM.3.4442½, and the guilder also making a particularly good gain. The Belgian franc was at its official ceiling, and there was said to be official support for the dollar in Switzerland. The French franc was at its ceiling, at Frs. 5.5125-5.5130 at the close in London, and some London banks again quoted a separate rate for non-commercial franc business, though by the close the two rates were tending to merge, with the non-commercial at Frs.5.51-5.5125. The 3-month discount on the pound narrowed 1/16 cent to 5/32, the 6-month 1/16 to 13/32, and the 12-month 3/32 to 5/32.

Gold was fixed at $42.80 (£17.691) an ounce—the highest fixing level since early-June, 1969—in London in the morning, with $42.85-43.00 being touched at one point in the early part. The afternoon fixing was at $42.75 (£17.674), however, and the closing quotation was $42.65-42.85, as on Wednesday. Conditions were quieter than on the previous day, but were still fairly active. New sovereigns rose 3 cents an ounce to $10.50-10.60, but old were unchanged at $12.70-12.80. Double Eagles gained $½ to $67-68, single $½ to $33-34, and half $½ to $27½-$28½, but the 20-mark piece was unchanged at $25-26. In Paris, the 12½-kilogramme gold bar was fixed at $42.46 an ounce at noon up 5 cents, but fell back 13 cents at the afternoon fixing. The one kilogramme ingot eased 5 cents an ounce to $42.33. Turnover at the Bourse meeting was Frs.3m. against Frs.5.4m. on Wednesday. Hong Kong raised gold $2 U.S. cents to $44.04.

FOREIGN EXCHANGES

Aug. 5 1971	Bank Rate %	Market Rates: Day's Spread	Close
New York	5	2.415⅝-4[illegible]	2.41¾-[illegible]
Montreal	5¼	2.455⅝-46⅝	2.45¾-[illegible]
Amst'dam	5½	8.51-57	8.52¾-[illegible]
Brussels	6	119.90-120.15	120.00 [illegible]
Copenh'gn	7½	18.13-15½	18.14-[illegible]
Frankfurt	5	8.31¾-45¾	8.32¾-[illegible]
Lisbon	3¾	68.65-69.15	68.75-[illegible]
Madrid	6½	167.90-168.20	168.02 [illegible]
Milan	5	1,502-07	1,504½ [illegible]
Oslo	4½	17.16½-19	17.17½ [illegible]
Paris	6¾	13.31½-54½	13.32½-[illegible]
Stockh'lm	6	12.46½-49	12.47½-[illegible]
Tokyo	5½	862½-865½	865¾-[illegible]
Vienna	5	60.15-40	60.25-[illegible]
Zur ch	3¾	9.81-84	9.81⅞-[illegible]

N.B. Bank of England official limits U.S. $2.38-42. A Bank of Portugal discount rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1429-1514	Malaysia	7.33[illegible]
N.Zealand	2.1567-1492	Argentina	11.51-[illegible]
S.Africa	1.7121-7207		[illegible]
†India	17.5230-5600	Brazil	12.9[illegible]
‡♠Pakistn	3.757-65		[illegible]
Ceylon	14.150-302	France	13.10[illegible]
*Hng Kng	14.550-614	W.G'm'y	8.30[illegible]
Luxemb'g	120.00-10	Spain	167-[illegible]
Belgium	[illegible]	Greece	72[illegible]
Italy	[illegible]	Switzerl'd	9.65-[illegible]
Holland	8.50-85	Austria	60-[illegible]

‡ Note rates quoted by specialist dealers. Other rates may be quoted elsewhere. £'s per 100 Rps. ♠ Tourists receive 45 per cent. Bonus on foreign currency surrendered to banks in Pakistan. ♥ Rates for all denominations. * Hong Kong dollars in the pound.

U.S., Canada 98.33-98.38.

EXCHANGE CROSS-RATES

Aug. 5	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.442 445	62.60 62	6.94-.41	8.33-331	97 63 89	84.74 80
N.York	29.05 035	—	18.1425-75	2.0150-55	2.4185 4195	28.3525 3500	24.62 6275
Paris	159 94-10	5.5127 35	—	11.1065-1125	13.3340-3455	156 40 60	125 73 85
Brussels	14 40 41	49.62½ 63	9.01¼-5¾	—	120.05 09	14.07¼-¾	12 2 ¼-3¾
London	8.32¾ 33¼	2.41¾-⅞	13 32½-33¼	120.0-10	—	8.52¾ 53¼	9.81⅞ 82⅜
Am'd'm	1.0 31¼-36¼	3.52[illegible]	63 89¼ 94¼	7.10¼-6¾	8.52¼-¾	—	86 79 84
Zurich	117 82-87	4.0 58 062	13 62 72	8.18-20	9.821 825	115 17 25	—

U.S. $ on Montreal 1.01⅝-⅝. Canadian $ on New York 0.9831-9834. Milan on New York 622.05, Milan on London 1507.05.

EURO-CURRENCY INTEREST RATES

Aug. 5	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	—	6-6⅝	5½-5¾	3½-5¼	4 7	1-5
7-days' notice	—	6⅛ 6¾	4½-4¾	3½ 5¾	4½-5½	1½-5
Month	6½-7⅛	6⅝-7⅛	5⅜-5⅝	4⅛-4⅛	5⅞ 6⅜	5⅝-4
Three-months	7⅜-7⅞	6⅞-7⅜	5¾-6	4¾-5⅛	6⅛-6⅛	4⅛ 4⅛
Six-months	7⅜-8⅛	7⅛-7⅝	6⅛-6⅜	5⅝-6⅞	6½-6⅛	5-5⅜
One-year	8⅜-8⅝	7⅛-7⅝	6⅞-7⅛	6⅛-6⅛	6⅛-7	5⅝ 5⅞

Longer-term rates for U.S. dollars as follows: two-years 7½-8 per cent., three-years 8½-8½ per cent., four-years 8½-8¼ per cent., and five-years 8½-8½ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 7 3/16-7 1/16 per cent., three-months 7 5/16-7 5/16 per cent., six-months 7½-7⅞ per cent., one-year 7 9/16-7 7/16 per cent., two-years 8-7⅞ per cent., three-years 8½-8½ per cent., four-years 8½-8½ per cent., and five-years 8½-8½ per cent.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FORWARD RATES

—	One month	Three months
New York	⅛ c. pm-Par	⅜-¼ c. pm
Montreal	⅜-⅛ c. pm	1⅛-[illegible] c. pm
Amst'dam	2⅛-1⅝ c. pm	6⅝-5⅞ c. pm
Brussels	45-25 c. pm	105-85 c. pm
Copenh'n.	2 ore pm-3 dis	4-9 ore dis
Frankfurt	1¼ ¾ pf. pm	3½-3 pf pm
Lisbon	15 c. pm-05 dis	25 c. pm-05 dis
Milan	3-1 lire pm	4½-2½ lire pm
Oslo	5 ore pm-par	8-3 ore pm
Paris	3½-2½ c. pm	8½-7½ c. pm
Stockh'lm	⅛ ore pm-⅛ dis	⅛ ore pm-[illegible]
Vienna	20 gro. pm-par	40-15 gro. pm
Zurich	3¼-2½ c. pm	8¾-8 c. pm

OVERSEAS SHARE INFORMATION

Investment $ Premium 22% (21⅜%)

NEW YORK

Stock	Aug. 5	Aug. 4
RAILROADS		
Burlington Nthn	45¾	45½
Canadian Pacific	65	63
Chesapeake Ohio	58	57
Illinois Cen. Ind.	35½	35¾
Norfolk&Western	72¾	73
Penn Central	5⅛	5⅛
Reading	6¾	6¾
Santa Fe Ind.	27	26⅞
Southern Pacific	39⅛	38⅝
SouthernRailway	75⅞	74½
Union Pacific	53⅝	53⅝
INDUSTRIALS, ETC.		
AVC	7⅛	6½
Acme Markets	54½	55
Addressograph	33⅝	33¾
Aetna Life & Cas.	59½	59¼
Air Products	50	50¼
Air Reduction	20	19¾
Alcan Aluminium	20	19¾
Allegheny Lud.	21¼	21
Allied Chemical	29½	29⅝
Allied Mills	21½	21¼
Allied Stores	32¼	32¼
Allis Chalmers	12⅛	12⅛
A.L.C.O.A.	52⅜	52⅝
Amerada-Hess	61⅛	60⅛
Amer. Airlines	28	27¼
Amer. Brands	42¾	42⅝
Amer. Broadcast.	41⅜	41¼
Amer. Can	33⅝	33⅝
Amer. Cyanamid	32¼	32⅛
Amer.Home Prod	74¼	75⅛
Am. MetalClimax	30	29⅛
Amer. Motors	6⅛	6¼
Amer. Smelting	23⅛	23⅛
Amer. Standard	20½	21¼
AMF	36⅛	37⅜
AMP	63½	62⅞
Ampex	14½	15⅛
Anaconda	17½	17⅝
An. Hoc Hocking	35⅝	34¼
Anheuser-Busch	46⅝	46½
Armco Steel	16⅛	16¼
Asamera Oil	18¾	18⅝
Ashland Oil	22⅛	22½
Atl. Richfield	62½	62⅝
Avco	13⅝	13¾
Avon Products	94¾	95½
Baker Oil	50⅛	51
Becton Dick	32⅛	32
Bell & Howell	43½	43⅝
Bendix	36⅞	37
Benguet Cons.	6	6
Bethlehem Steel	21⅛	21⅝
Black & Decker	73¼	72½
Boeing	16	15⅝
Boise Cascade	32⅝	32¾
Borden	26¼	26⅝
Borg Warner	25	24⅞
Braniff Airways	9⅝	9½
Bristol Myers	61	60⅛
Brit. Pet. ADR	14⅝	14⅝
Broadway-Hale	38½	38¾
Brockway Glass	30⅛	30⅛
Brunswick	30⅛	30
Bucyrus-Erie	24⅞	25⅝
Budd	11	10¾
Bulova Watch	21⅝	21¼
Bunker-Ramo	9⅞	9⅞
Burroughs	118	117¼
CPC Internat'l	33½	33½
Campbell Soup	34⅞	34⅞
Canal Randolph	16½	16⅝
Capitol Industries	9⅝	9
Carnation	84½	86½
Carrier & General	16½	16¼
Caterpillar Tract.	46⅝	47
Celanese	70	71
Cerro	15⅛	14⅝
Certain-Teed	28⅝	28½
Cessna Aircraft	22⅛	22½
Chesebr'gh Pond	52½	52
Chicago Bridge	105½	106
Chrysler	25¼	25⅝
Cinc. Milacron	38¾	38⅝
Cinerama	3⅞	3¾
Cities Service	42½	42⅛
City Investing	18⅞	18⅝
Coca-Cola	100¼	99⅝
Colgate-Palm	46¼	46⅝
Collins Aikman	23	23⅛
Colum. Broadcast.	43	43¾
Columbia Pict.	10¼	10¼
Combustion Eng.	61½	59⅛
Comm. Solvents	21⅝	20⅛
CommonwEdison	39⅞	38⅞
ConwellOil Ref.	14½	14⅞
Consol Foods	45⅛	46⅝
Continental Can	35¼	34⅞
Continental Oil	32½	32⅝
Control Data	50⅛	49⅞
Cooper Indus	30½	30½
Corning Glass	224¼	224

Stock	Aug. 5	Aug. 4
Crane	43⅛	43¼
Creole	23⅞	23⅝
Crowell Collier	10	10
CrownZellerbach	29½	30¼
Cummins Engine	45⅛	45½
Curtiss-Wright	12⅝	11⅞
Dart Industries	39⅜	38½
Deere	42¾	42⅞
Delmonte	25¼	24⅞
Deltona	26⅞	26½
Disney (Walt)	102	99⅞
Dist'lers Seagram	55½	54½
Dow Chemicals	96⅛	95⅛
Dresser	28⅛	28
Dupont	144⅞	144¾
Eagle Picher	22¾	22¾
East Air Lines	16	15⅞
Eastman Kodak	74	73½
Eaton	36¾	36¾
E.M.I.	5⅛	5⅛
Eltra	23¼	23¼
EmeryAir Fr'ght	67¼	67¼
Engelhard Min.	30⅝	31
Essex Int'l	39	38¾
Ethyl	21	20⅝
F.M.C.	25½	25¼
Factor(Max)	38	37½
Fairchild Camera	31⅜	31¼
Fed. Dep. Stores	44⅛	44⅛
Firestone Tire	49¾	49⅞
Flintkote	26	25½
Fluor	20⅛	20¼
Ford Motor	61½	61½
Foremost Mckes.	21⅛	21½
FoxboroCompany	38⅞	38
Freeport Sulphur	19⅝	20⅛
Fruehauf	32¾	32½
Fuqua Industries	21⅛	20¾
G.A.C.	14⅝	14
G.A.F.	16⅜	15½
Gannett	50⅛	50⅛
Gen. Amer. Inv.	22⅛	22⅜
Gen.Amer.Trans.	51⅜	51¼
Gen. Cable	19	19
Gen. Dynamics	22	22¾
Gen. Electric	54⅛	53⅛
Gen. Exploration	9⅛	9
General Foods	37¾	37⅝
General Mills	34⅝	34⅝
General Motors	76⅛	75¼
General Signal	66	65½
Gen. Tel. Elect.	30⅛	30¼
General Tire	25⅜	25⅛
Genesco	28¼	28¼
Georgia Pacific	51½	51½
Getty Oil	78¼	79½
Gillette	57⅛	57⅜
Gimbel Bros.	31⅛	32
Glen Alden	8½	8½
Goodrich (B.F.)	28⅞	28⅜
Goodyear Tire	31	30
Gould	41¼	40⅞
Grace W. R.	27¼	27¼
Grand Union	27½	37½
Gt. Atla. Pac.Tea	25⅞	25½
Gt. North Iron	10⅛	10¼
Grolier	20½	20¼
Gulf & Western	24½	24⅝
Gulf Oil	29½	29⅛
Halliburton	62¾	61
Hanna Mining	53¼	53½
Heinz H. J.	43	42¼
Hewlett-Packard	37⅛	37⅝
Holiday Inns	44½	44½
Homestake Ming	27⅝	28¼
Honeywell	93⅜	93¼
Hoover	54⅛	53⅛
I.N.A.	51⅛	50⅜
Ingersoll Rand	51¼	50¾
Inland Steel	27	27
Insilco	17⅜	17⅛
IBM	287	287
Intl.Chem. Nuc'r	21	21
Intl. Flavor	71⅛	72½
Int. Harvester	24	24
Intl. Holdings	15⅜	15⅛
Int. Min. & Chem.	15⅝	15⅛
Intl. Nickel	30⅛	30⅞
Intl. Paper	33⅞	33⅛
Int. Tel. & Tel.	56	63¾
Interstate Strs.	12¾	12¾
Inv.Funding A.	10⅛	10⅛
Iowa Beef	25⅞	25¼
Jim Walter	34⅛	34⅛
Johns Manville	39¼	39¾
Johnson Johnson	90⅛	90⅞
Johnson Service	29½	30
Jones & Laughlin	14	14⅛
JoyManufactur'g	50⅛	50¼
Kaiser Al min'm	26¾	27
Kaiser Industries	10⅜	10⅜
Kaiser Steel	25¼	25½
Kennecott	31⅛	31⅛
Kerr McGee	132	131½
Kidde (Walter)	25¼	24½
Kimberly-Clark	29	29
Kinney Natl.	31½	31¼
Koppers	31½	31¼
Kraftco	42	41¾
Kresge	85⅛	85¾
Kroger Co.	33⅜	33⅛
Lerner Store	42½	42⅜
Libbey Ow. Ford	46	46
Libby, McNeil	8⅛	8¼
Liggett&Myers'B	50⅛	49⅝

Stock	Aug. 5	Aug. 4
Ling-T'mco-Vght	12[illegible]	12½
Litton Indus	26[illegible]	25½
Lockheed Aircr	10[illegible]	10¾
Lone Star Cem	26[illegible]	26
Louisiana Land	44[illegible]	43⅝
Lubrizol	97[illegible]	97½
Lucky Stores	37[illegible]	38½
L'kes-Youngstwn	8[illegible]	7¾
MCA	23[illegible]	22¾
Macy R. H.	41[illegible]	41½
Magnavox	43[illegible]	43
Marathon Oil	37[illegible]	38
Marcor	33[illegible]	33⅝
Marshall Field	33[illegible]	33⅝
May Dept. Stores	41[illegible]	42
McDermott	38[illegible]	38¾
McDonnell Doug.	25[illegible]	26¼
McGraw-Hill	17[illegible]	17¼
Memorex	28[illegible]	27⅛
Merck	102[illegible]	101½
Merrill Lynch	35[illegible]	33¼
MGM	20[illegible]	20½
Minn.Min & Mfg.	112[illegible]	112
Mobil Oil	52	51½
Monsanto	42[illegible]	42⅝
Motorola	73	75
Murphy Oil	31	31½
NalcoChemical	50[illegible]	50¾
Nabisco	51	51
National Can	23[illegible]	24
Natl.Cash Rg	37[illegible]	38½
Nat. Distillers	15[illegible]	15⅛
National Lead	17[illegible]	17¾
Nat. Service Ind.	25[illegible]	25¾
National Steel	38	38
Natomas United	74[illegible]	75¾
Neptune Meter	16[illegible]	16½
New England Tel	34	33⅛
Niagara Share	16	15¾
N.AmerRockwell	27[illegible]	26⅝
Nthwest Airline	25	25
Occidental Petrol	16[illegible]	16½
Ogilvy Mather	28[illegible]	28¼
Olin	18[illegible]	18⅝
Otis Elevator	40	40¼
Owens-Corning	44[illegible]	43⅞
Owens-Illinois	55[illegible]	55¼
PPG Industries	35[illegible]	35⅝
PacCoast Prop.	3[illegible]	3⅝
Pan Am World Air	11[illegible]	11⅛
ParkerHannifin	40[illegible]	40⅞
Penney J. C.	63⅛	63⅞
Pennzoil United	27	26¾
Peoples Drug	25	25¼
Pepsico	55⅞	55⅝
Pergamon	13½	13½
Perkin-Elmer	44	43½
Pet	45	44½
Pfizer	37⅜	37¼
Phelps Dodge	37¼	37
Philip Morris	61⅝	61¼
Phillips Petrol'm	30½	30½
Pillsbury	49½	49¾
Pitney Bowes	25¼	25⅛
Pittston	44½	44½
Plessey L.I.ADR	2⅝	2½
Polaroid	101½	100¼
Procter Gamble	65⅝	65⅞
Pullman	51	51
Purex	18¼	18
Quaker Oats	43⅞	44¾
RCA	31⅛	30½
Raytheon	34½	34
Republic Steel	22½	22½
Revlon	62¾	63¾
Reynolds Metals	22¼	22¼
Reynolds RJ Ind	60	60¾
Rich-Merrell	61¼	61¾
Roan Selection T.	5½	5½
Rohm & Haas	100½	102¾
Royal Dutch	42	42⅝
Russ Togs	20⅜	20¼
Safeway Stores	34½	34½
St. Joe Minerals	23⅝	23⅞
St. Regis Paper	34½	35¾
Saxon Ind.	19⅞	19¾
Schlitz Brewing	89	89
Schlumberger	132	132⅝
Scott Paper	19¼	20⅛
Scovill Mfg.	43¾	43¼
Searle (G.D.)	62¾	63
Sears Roebuck	86⅛	85⅝
Sedco	34⅞	34⅛
Shell Oil	43½	44⅝
Shell Transport	38¾	38½
Signal	17¾	16⅝
Signode	48½	48½
Simplicity Pat.	137	137¼
Singer	68	68⅛
Skelly Oil	47¾	47⅛
Smith Kline	60⅛	50½
Solitron	11¼	11⅝
Southdown	39	39½
Sperry Hutch	40⅛	60
Sperry Rand	26⅝	26½
Squibb	80⅛	79½
Standard Brands	44½	44¼
Std.Oil California	55¼	55¼
Std. Oil Indiana	62¼	62½
Stand. Oil N.J.	74½	74¼
Stand. Oil Ohio	80½	90¼
Stauff. Chemical	42	41⅛

Stock	Aug. 5	Aug. 4
Sterling Drugs	42¾	42
Studebaker	52	54¼
Sun Oil	56	56½
Sundstrand	24	23⅜
Swift	41⅛	40¾
Syntex	59⅜	58⅞
T.R.W.	33⅝	33⅝
Technicolor	14⅝	14½
Tektronix	31¾	32⅛
Teledyne	21⅞	21⅛
Telex	13⅛	13⅛
Tenneco	25⅞	25⅞
Texaco	33⅞	33⅛
Texas Gulf Sulph	15⅛	15⅝
Texas Instm.	98⅜	98¼
Time	49⅝	49
Times Mirror	45½	44⅞
Timken	36¼	36⅛
Trane	64⅞	64¾
Transamerica	16	16⅝
Trans. World Air	23⅝	23⅞
Travelers	34⅞	34⅛
20th Cent. Fox	9⅛	9⅝
UAL	31½	31⅝
USM	15	15
UARCO	28¾	29¼
Unilever Ltd.	30½	30½
Unilever N.V.	32½	32¼
Union Carbide	43¾	43⅛
Union Oil Calif.	32½	32½
Uniroyal	19½	19⅝
United Aircraft	31	30⅞
United Brands	12½	12⅝
U.S. Freight	26½	26¼
U.S. Gypsum	64¾	64¼
U.S. Shoe	23¼	23¼
U.S. Smelt. Ref.	24⅝	24
U.S. Steel	28⅛	28½
Universal Oil	16⅛	16¼
University Com.	24⅝	24¼
Utah Cons.	71⅞	72¼
Walgreen	22½	23¼
Warner-Lambert	68¼	67⅝
Wells Fargo	37¼	37⅜
Westingh'seElec.	82¾	81⅝
Westvaco	19½	19½
Weyerhaeuser	52½	52⅝
Whirlpool	86⅛	85
White Cons. Ind.	23½	23⅛
Williams	36⅜	37½
Woolworth	44	42½
Xerox	108⅛	107
Zapata Norness	31⅛	31⅛
Zenith Radio	42⅛	43
PUBLIC UTILITIES		
Allegheny Power	22	22
Amer.Elec.Pow'r	26⅝	26⅛
Amer. Nat. Gas	38⅝	37⅞
Amer. Tel. & Tel.	43½	43⅝
Balt. Gas Elec.	29	30
Brascan	18⅛	18⅛
Central S.W.	44½	45¼
Columbia Gas	34⅝	35⅛
Com'w'thEdison	35⅞	36¼
Con. Edison N.Y.	25⅛	25
Consol Nat. Gas	27½	27⅝
Consumers Power	30¼	30⅝
Continental Tele.	25	22½
Detroit Edison	19½	19½
El Paso Nat. Gas	17½	18
Florida Power	46	46
Gen. Public Util.	22⅜	22⅝
Greyhound	22⅜	22½
Intnl. Utilities	37½	36¾
Long Island Ltg.	23¼	23¼
New England El.	22¾	22⅞
Niagara Mohawk	15¾	15¾
North Nat. Gas	49¾	49⅞
Nthn. States Pwr	25½	25⅝
Ohio Edison	22¾	22¼
Pacific Gas	30⅛	31½
Pacific Lighting Co.	24⅜	25¼
Pac. Pwr. & Lt.	23⅜	22½
Penn Power & Lt.	22⅞	22⅞
People's Gas	33⅜	33⅛
Philadelphia Elec	21¾	21½
Potomac Elec.	15½	15⅝
Pub. Serv. Elec.	26⅝	26⅜
Southern Cal. Ed	31⅞	32⅜
Southern	21⅞	21⅞
Sthn. Nat. Gas	47	46½
Texas Utilities	58⅞	59½
United Corp.	8⅛	8⅛
UGI	21	20½
Virginia Elec.	20½	20⅝
Western Union	42½	41⅞
Wisconsin Elec.	22	21⅛
TRUSTS, BANKS & BONDS		
Americ'n Express	107½	110¼
Amer. S.A. Inv.	50½	50¼
Bank America CP	62½	62⅜
Bankers Tr. N.Y.	52½	51⅜
Chase Manhattan	48⅜	48⅜
Chemical Bk. NY	53½	53⅜
Conte 3% 1983	†47⅛	†47⅛
Crocker Nat. C.P.	35	34⅛
Dividend Shares	†3.58	†3.57
1st Nat. Boston	65½	64½
Fst. Nat. City Cpn	35⅛	35⅛
Mfrs. Hanover	31¼	30¾
Marine Midland	32⅛	32⅛
Morgan J. P.	65	62⅛
Northwest Banco	35¾	35⅝
Peru 3% 1997	†58¼	†58¼
Tri-Continental	27	27
U.S. Bancorp	32½	32
U.S. 90 day bills	5.26%	5.27%
U.S.Treas4¼%1974	94⅛	†94
U.S.Treas.4%1980	†77⅛	†77⅛
U.S.Treas4¼%75/85	†81⅜	†80⅞
Western Bancorp	33⅝	33½
World-wide Serv	41¼	41½

TORONTO

Stock	Aug. 5	Aug. 4
BP Oil & Gas	6.90	6.80
Bovis	1.90	1.85
Calgary Power	26½	26½
Can. Super Oil	41⅝	42¾
Cassiar Asbestos	21⅜	22⅛
Central Del Rio	15⅜	15⅝
Cominco	23½	23¼
Consumer Gas	20¼	20¼
Denison Mines	25	25
Dist. Seagrams	56½	55⅝
Dome Mines	74	73½
Dome Petroleum	100	101½
Falconb'ge Nickel	90⅛	91½
Ford Motor Can.	86	86
GiantYell'knife	9.10	9.90
Gt. Plain Dev.	33⅛	33¾
Gulf Oil Canada	24⅝	23⅝
Hollinger	40	40
Home Oil 'A'	31½	32
Hudson Bay Mng	23	22⅝
H'dsonB Oil&Gas	46½	46½
I.A.C.	18¼	18
Imperial Oil	26¾	25¾
Indal Canada	†9¾	†10
Inland Nat. Gas	12½	13
Laur'ntFin. Cpn.	8⅛	8⅛
Loblaw Com. "B"	5⅛	5⅛
Massey-Ferguson	10⅛	10½
McIntyre Porpne	91½	94
Moore Corpn.	36½	36¼
Noranda Mines	32½	33¾
N'thern&Gentrl	15½	15¼
Pacific Petroleum	33½	32⅛
Patino	20	20½
Place Gas & Oil	1.32	1.32
Placer Dev'lopmt	30⅛	30½
Power Corporat'n	5⅛	5
Ranger Oil C'nda	14	14
Rio Algom	16	16
Shell Canada	35¾	35¼
Sherrit G. Mines	15⅜	15⅜
Steep Rock Iron	2.14	2.13
Texaco Canada	34	34
Toronto Dom. Bk.	25⅜	25⅝
TransCanPipe Ln	33¼	33⅛
Trans. Mount Oil	23⅛	23⅞
Union Gas	15⅜	15¼
United Corpn.'B'	15½	†15½
West Coast Trans.	26	26
Weston Geo. 'B'	†17⅛	17⅛

MONTREAL

Stock	Aug. 5	Aug. 4
Abitibi Paper	7⅛	7⅛
AlcanAluminium	20⅜	20⅛
Algoma Steel	†13¼	13
Asbestos	33	33½
Bank of Montreal	16½	16
Bankof Nov.Scot	26⅝	25⅝
Bell Telephone	45½	46
Bowater Paper	†3.75	3.80
Brascan	18⅝	18⅛
Bruneo	5½	5½
Canada Cement	43	42½
Can. Breweries	7	7
Can.Imp.Bk Com	22⅛	22⅛
Can. Industries	13⅛	13¼
Can. Pacific Rly.	†62½	62⅝
Cons. Bathurst	8⅝	9
Dominion Bridge	23½	23⅝
Domtar	13⅝	13⅛
Dupont	18	17½
Hawker Sid. Can.	†2.65	†2.55
Hudson's Bay	17⅜	17⅛
Imasco	19½	19⅛
Internat'l Nickel	30¾	31½
Int'pr'vPipe Line	28⅛	38⅛
Mc'mill'nBloedel	24⅛	24½
Price	7⅛	7⅞
Royal Bk. of Can.	26¾	27⅛
Royal Trust	34	34
Simpson	20½	20⅛
Steel of Canada	25⅞	25⅝
Traders	†1.50	†1.60
Walker Hiram	†36½	37

a Asked. * Assented. † Bid. ‡ Traded. n New stock.

GERMANY

Aug. 5	Price Dm	+ or −	Div. %	Yld. %
6%Fed. Loan(1977)	99¼		6	6.6
A.E.G. Dm.(50)	178.5	−1.5	16	4.4
AllianzV'rsDm50.	386	+1	12	1.5
Audi NSU (Dm50)	150		—	—
B.M.W. (Dm 50)	176	−2	12	3.3
Bad Anilin(Dm50)	142.5	−2.5	22	7.7
Bayer (Dm.50)	141.3	−1.8	20	5.7
Bay Hyp'o'aDm50	365.1	−1.9	22	2.8
BayVer'b'kDm50	316	−3.2	20	3.2
C'mmerzbnkD50	†257	−2	17	3.3
ContGummi(D50)	118		12	5.0
Daimler (Dm50)	374		‡17	2.3
Degussa (Dm50)	354.2	−0.8	20	3.0
Demag. (Dm50)	185.3	−0.3	16	4.3
Deutsch BkDm50	327.5	−3.5	18	2.8
Dresdn'kBkDm50	†282	−1.5	18	3.1
Dyk'rZ'mtDm50	190	+6	14	3.4
Gels'nkB'rgDm50	101.8	−0.2	8	3.9
Gla'stoff (Dm 50)	255	+4	13	5.1
G'tehffn'g(Dm50)	173	−3	14	4.1
Hapag Lloyd 50	118		10	4.2
Harpener(Dm150)	333.5	+0.5	9	2.7
Hoechst (Dm50)	163.1	−2.9	20	—
Hoesch (Dm 50)	68		‡12	7.3
H'rt'nO'b'nDm100	†101.2		—	—
I.G.Farben(Inliq)	3.15		—	—
Karstadt (Dm 50)	368.5	−1	20	2.7
Kaufhof (Dm 50)	267	−3	20	3.7
Kloeckner (Dm100)	128		12	4.8
Klock (H.) (Dm50)	146.5	−1.5	16	5.5
Kr'ss Maffei D100	710	+5	16‡	2.3
Krupp (Dm 100)	136.5		10	7.3
Kundenkr (Dm 50	368		20	2.7
Linde (Dm 50)	252	−3	17	3.5
Lowenbrau	†2,510		20	0.7
Lufthansa (50)	70	−3	5	3.6
M.A.N. (Dm50)	192.1	−3.9	18	4.7
M'esmann Dm100	158.7	−0.2	12	7.5
Metallges (Dm50)	374.5	−3	19	2.5
Munch Rck Dm50	450		18	2.1
Neck'rman Dm 50	168	−0.2	6	2.8
Preussag (Dm 100)	144.6	−0.9	7	4.9
RheinstahlDm100	81	−0.5	5	6.2
Rh.West El.Dm50	144	−1	16	4.1
S'zdetFrtb Dm100	145.1		10	—
Schering (Dm 50)	468	−3	‡20	2.1
Schultheis Dm 50	†558.5	−0.5	20	2.6
Siemens (Dm 50)	222.1	−1.4	16	3.6
Sudzucker (Dm50)	2.9	+1	18	3.3
Thy'n.Hte(Dm50)	77.6	−0.4	14	9.0
VereinsbkDm50	†289		18	3.1
Volkswag'nDm50	†159	−4	18‡	5.8
WintershallDm50	164	−3	19.6	7.4
Zeiss Ikon (Dm 50)	†182		10	5.5

AMSTERDAM

Aug 5	Price %	+ or −	Div. %	Yld. %
AKZO (Fl.20)	Fls 84.3	−0.6	20	4.8
AlgemeneBk.Ned	Fls 275	−1	17	6.2
Amst. Rot. (Fl.20)	Fls 65.2	+0.5	17	5.2
Van Berkel's Pat.	171		14	8.2
Bijenkorf	455		—	—
Bos. Kalis(Fl.10)	Fls 93.2	−0.8	18	1.9
Gist-BrocadesFl10	Fls 74.5	−0.5	22	2.9
Hambros(Fl50)	Fls 88		‡3	1.7
Heijn(A'f'lt)(Fl.20)	Fls 174	−1	‡22	2.5
Heineken (Fl.25)	Fls 232.6	−1.3	14	1.5
Holland Fund	650	−4	25.20	3.9
Hoogovens (Fl.20)	Fls 71.3	−0.7	20	5.6
H'nterDougl's35c	CS13.25		—	—
I.O.S. Ltd	US$0.55		—	—
I.O.S. Mngt	US$2.38		CS$1.40	—
I.P.I.	3.20		—	—
K.L.M.	Fls 124	−3.2	7	5.6
Inter Muller(F20)	Fls 55.5		18	6.4
Naarden Cast(F10)	Fls 75.2	−0.8	18	2.4
Nat.Ned Ins'r'nce	Fls 64.7	−1	20	3.1
Ned. Mid. Bk (F50)	Fls 111.5	+1.5	12	5.4
NEFO (Fls.50)	Fls 67.3	−0.3	8	6.0
Nijver T.Cate	71.7	+0.7	—	—
OCE(Fl.20)	Fls 267	−1.5	25	2.4
Van Ommeren	257.5	+2	‡20	7.8
Philips(Fl.10)	Fls 41.8	−0.3	17	4.0
Rijn Schelde	195	−0.5	‡14	7.2
Robeco (Fls.50)	Fls 241	−1.3	23.2	4.8
Rolinco (Fls.50)	Fls 176	−0.8	6	1.7
RoyalDutch(Fl.20)	Fls 149.3		5¼	4.9
TokyoCapHlgs($1)	US$ 19.9	+0.1	—	—
Unilever (Fls. 20)	Fls 114.5	−1.2	27.1	4.7
Utilico (Fls. 50)	Fls 128.5	−0.5	9.2	3.8
Valeurop	Fls 73	−0.2	3.58	4.9

OSLO

Aug. 5	Price Kroner	+ or −	Div. Kr.	Yld. %
Am'rik'linjeKr100	†170		12½	7.3
Berg'nsPrivKr100	†115.5		8	6.9
Berg. Damp.Kr100	†132.5		7	5.3
Borregaard Kr100	†130	−2	8	6.1
Bruusgaard Kr650	†2,100		50	2.4
ChrisSpiger Kr100	†395	−5	12	3.1
Creditbank Kr100	†157		9	5.6
Daltona Kr100	†2,800		200	7.1
Elkem A/S Kr100	†282.5	−2.5	8½	3.1
Follum Kr100	†125	−3.5	6	4.8
Halslund Kr100	†265		8	3.0
Kosmos Kr100	†780	+30	100	12.8
Kreditkasse Kr100	†141		10	7.1
NorskHyd'oKr85	†1,070	−10	10.8	1.1
OrklaGrube Kr100	†675		12	1.8
Storebrand Kr100	†230		6	5.2

NOTES: Belgian dividends are shown after withholding tax. ф F 500 denom. unless otherwise stated. ‡ Yen 50 denom. unless otherwise stated. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. % h Assumed dividend after scrip and/or rights issues. k After local taxes. m % tax free. n Francs: including Unilac div. p Net. r Div. and yield exclude special payment. t Indicated div. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Unofficial trading. = Assumed. xr Ex-rights. q Share split.

PARIS

Aug. 5	Prices Frs.	+ or −	Div. Frs.	Yld. %
Rentes 5½pe 1952	176		3.5	2.0
Air Liquide	414	+6	10.25	2.5
Aquitaine	655	+6	13.64	2.1
BanqueInd.Chine	321	−2.5	9.09	2.8
Beghin	166	−5.4	7.39	4.4
Bousseis Souchon	1,254	−6	21.59	1.7
Charter Cons	35	−0.5	g32	3.1
Chargeurs Reunis	221.8	+0.3	9.09	4.1
Ciments Lafarge	215	−1.1	10.62	4.9
Citroen	99.5	+2	—	—
Cie Fr. Petrole	238.8	+7.8	6.60	2.7
Cie Gen. d'Elect.	471.2	+3.2	15.23	3.2
Co'pagnie du Nord	48.3	−0.3	2.84	5.9
Cons. GoldFld(25p)	46.7	−0.9	g28.2	2.6
Credit Foncier	398.1	−0.9	17.04	4.3
De Beers Df. (25p)	30.4	−0.5	g260	3.6
Denain Longwy	145.6	−0.4	7.56	5.4
Dunlop	84.5	+0.5	3.41	4.1
Esso Standard	138	+2.8	4.54	3.3
Gal. Lafayette	156		—	—
Le Nickel	165.5	+1.5	6.58	4.0
L'Oreal	1,746	+1	18.18	1.1
Machines Bull	91		—	—
Michelin "B"	1,366	+11	15.34	1.1
Paribas	236	−1.3	9.67	4.1
Pechiney	164.5		9.09	5.5
Peugeot (Frs. 70)	280.5	−1	7.95	2.8
Printemps	160.1	−1.1	1.90	1.2
Redoute	406	−6	90.3	2.2
Rhone Poulenc	216.9	+5.8	9.86	4.5
R.T.Z. (25p)	53	−0.6	g24	2.4
Royal Dutch Fl.20	248	−1	g351	4.4
Saint Gobain	147.1	−0.6	6.36	4.4
Shell(Bearer)(25p)	67.3	+0.1	g59	3.5
Soc. Nat. d'Inv.	357	+4.6	14.55	4.0
Suez	316.5	−1.5	11.5	3.6
Thompson—CPS	112	+1	2.84	2.5
Thomson Houston	122.5	+0.5	4.54	3.7
Ugine Kuhlmann	182	−1	10.25	5.6
Union Corp. (6½c)	28.5	−0.5	g192	3.3
Usinor	104.2	−0.3	6.82	6.6
Wendel Sidelor	71	+0.5	7.95	11.2

BRUSSELS

Aug. 5	Price Frs	+ or −	Div. Fr. Net	Yld. %
Detta Unifes	98.20		4	4.1
A.C.E.C.	558	−4	—	—
Arbed	4,800	−25	400	8.3
Banque de Brux.	2,510	−20	120	4.8
Belgo Azote	351	−7	—	—
Cimentaries Briq.	2,100	−35	110	5.2
Cockeril Ougree	1,384	−4	g160	11.6
E.B.E.S.	2,670	−10	150	5.6
Esperance Long	1,900		g125	6.6
Glace St. Roch	4,520	−25	245	5.4
Hoboken	5,350	−70	248	4.7
Innovation	2,310		90	3.9
Intercom	1,980	−10	120	6.1
Kredietbank	6,630	+10	185	2.8
La Royal Belge	4,750	−10	210	4.5
Lambert L'ind.	1,870	−10	80	4.3
Petrofina	4,025	+5	105	2.6
Photo Gevaert	2,070	−30	60	2.9
Pieux Frankl	7,500	−100	275	3.4
Soc. Generale	14,075	−25	675	4.9
Soc. Gen. Banque	3,000	−45	130	4.3
Sofina	9,700	−60	460	4.8
Solvay 'A'	2,755		155	5.7
Union Chim'que	2,440		130	5.2
Un. Min. (1/10th)	1,825	−20	95	5.2
Vieille, Montagne	5,160	−30	280	5.4
Wagon Lits	760	+8	30	3.9

SWITZERLAND

Aug. 5	Price Frs.	+ or −	Div. %	Yld. %
Alum. Bearer	2,375		18	3.8
Bally Holding	1,060	+10	10	4.8
Brown Boveri 'A'	1,185	−5	10	4.2
CIBA.GEIGY. Br	2,620		22	0.8
Do. Do. Br Part	2,375	+35	22	0.9
Do. Do. Reg.	1,560	+10	22	1.5
Credit Suisse	3,470		16	2.3
Fischer Acier	1,255	−5	‡12	4.8
Fonsa (N.P.V.)	†106	−2.75	2.40	2.3
Gr'ndM'g'lel F100	1,045	+5	12	1.1
Hoffm'n Gennss.	189,750	+1000	1000	5.3
Landis&Gy (F200)	1,600	+10	12	1.5
Lonza	2,085	−10	9	2.2
Nestle Bearer	3,150	+15	‡66.5	2.1
Do. Reg	1,800		‡66.5	3.7
Sandos (F. 250)	4,335	−5	26	1.5
Saurer (Arbon)	1,800		60	3.3
Soc. Inter. Pirelli	†218		12	5.5
Swissair(BR) F350	594	+6	8.6	5.1
Swiss Bank Corp.	1,650	+20	16	3.3
Un.Bank of Switz.	3,990	+25	20	2.6
Zurich Insurance	4,410	−15	33	3.7

VIENNA

Aug. 5	Price %	+ or −	Div. %	Yld. %
Creditanstalt	250		‡8	3.2
Perlmooser	338		10	3.0
Selecta	823		34	4.1
Semperit	313	+1	9	2.9
Steyr Daimler P.	217		8	4.2
Veit Magnesit	280	−3	10	3.6

MILAN

Aug. 5	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	10,980	+30	—	—
ANIC	842	+2	50	5.9
Bastogi	2,075		85	4.1
Breda	4,615	+11	165	3.6
Burgo	9,000	+450	315	3.5
Cantoni	10,960	+130	320	2.9
CIGA	5,295	+30	100	1.8
Cucirini	4,650	+55	300	6.4
Dalmine	409	−3	—	—
Erba	8,650		210	2.4
Fiat	2,404	+15	120	4.9
Do. Priv.	1,765	+18	120	6.8
Finsider	429	+3	37½	8.7
Gen. Imob.	317	+2	20	6.2
Generali	52,050	−100	450	0.9
Invest. "B"	2,692	−8	140	5.2
Italcementi	20,800	+260	500	2.4
Italgas	975	+15	65	6.7
Italsider	539	+9	—	—
La Centrale	5,680	+30	350	6.1
MarelliErcole	475		35	7.4
Mediobanca	68,600	+310	1,100	1.6
Mondadori Priv.	2,640	−108	120	4.5
MontecatiniEdis.	663.	+6.5	—	—
Motta	2,946	+26	—	—
Olivetti (Priv.)	2,310	−10	85	3.7
Pirelli & C	2,240	−10	105	4.7
Pirelli S.p.a.	2,201	+8	110	5.0
R'un.A'dtica Sic.	53,900	−90	500	0.9
Rinascente	246	+0.5	8	3.3
Rumianca	790		—	—
S.A.P.F.A.	3,471	+16	130	3.8
S.T.E.T.	2,753	−12	155	5.6
Snia Viscosa	2,232	+20	—	—
Sviluppo	2,071	+16	—	—

TOKYO

Aug. 5	Price Yen	+ or −	Div. %	Yld. %
Asa'hi Glass	160		14	4.4
Canon	200		15	3.8
ChubuElec Power	800	−3	10	6.3
Fuji Photo Film	551	−7	15	1.4
Hitachi	128	−1	12	4.7
Honda Motor	234	−6	18	3.8
C. Itoh (Trading)	139	+1	12	3.6
Japan Air Lines	1,765	−5	8	2.3
Kansai Elect.Pwr	770		10	6.5
Matsushita Elect.	579	−10	20	1.7
Mitsubishi Heavy	85		12	7.1
Mitsubishi Shoji	163	−1	13	4.0
Mitsui & Co.	173	−3	14	3.9
Mitsukoshi	385	−4	18	2.3
Nissan Motors	217	−3	16	3.7
Shiseido	975	+5	25	1.3
Sony	3,300	−30	30	0.5
Taisho Marine	406	+17	11	1.4
Takeda Chemical	217	+3	17	3.9
Teijin	76		12	7.0
Tokio Marine	456	+21	11	1.2
Tokyo Elect. Pwr.	194		10	6.
Toshiba	68	−2	12	8.8
Toray	125		15	6.0
Toyota Motor	416	−1	10	1.9

Source Nikko Securities, Tokyo. * Osaka Exchange.

STOCKHOLM

Aug. 5	Price Kroner	+ or −	Div. Kr.	Yld. %
Alfa Laval "B"	240		9	3.8
Asea	235	−1	10	4.2
Atlas Copco	201	−1	5	2.5
Billerud	113	−3	8.5	7.5
Bofors	89		8	9.0
Cardo	145		10	6.9
Cellulosa	90		8	8.9
Electrolux "B"	140	−1	8	5.7
Ericsson"B"(Kr50)	287		5.5	1.9
Fagersta	102	+1	5	4.9
Grange (free)	157	+1	12	7.6
Handelsbank	170	−1	11	6.5
Marabou	195		10	5.1
MoOchDomsjo'B'	111		8	7.2
S.K.F. "B"	382	+1	12	3.2
Sandvikan	280	+2	7	2.5
Skand. Banken	184	−1	12	6.5
Tandstick B (Kr50)	119	+1	5	4.2
Uddeholm	75	+0.5	6	8.0
Volvo (Kr50)	205	−1	4	1.9

COPENHAGEN

Aug. 5	Price %	+ or −	Div. %	Yld. %
Burmeister & W.	45½	+½	—	—
Dan. Landmansbk.	135¼		10	7.4
Dan.Provinsbank	143¼		10	7.0
Dan.Sukkerfab.	221	+1½	15	6.8
Superfos A/S	190½	−½	12	6.3
East Asiatic Bld.	189	+½	16	8.5
Finansbanken	152	−1½	11	7.3
For Bryggier	263¾		16	6.1
For. Dampskib	88½	−¼	6	6.8
For. Papirfabrik	139¼		10	7.2
Gt. Nothern Hld.	139½	+½	10	7.2
Nord Kabel	165¼	+¾	10	6.1
Oliefabrik	257½	+2	16	6.2
Privatbank	147¾		10	[illegible]

AUSTRALIA

Aug. 5	Aus $
Arrow Australia	‡1.50
AdelaideBrighton Cem't50c	†1.32
Ampol Exploration	1.08-1.10
Ampol Petroleum	0.51-0.52
Assoc. Minerals	5.0-5.02
Assoc. Portland Cement	0.94-0.95
Assoc. PulpPaper ($1)	1.63-1.65
AUSTIM	1.13 1.15
Aus. Con. Industries	1.50-1.52
Aust. Oil & Gas	† .32
BlueMetal Ind.	1.57-1.59
British Tobacco ($1)	1.97-2.0
Broken Hill Proprietary	13.40-13.45
Broken Hill South	3.20-3.30
Carlton United Brewery	† .65
G. J. Coles	0.85-0.86
Colonial Sugar Refin. ($1)	5.22-5.28
Cons. Goldfields Au.	7.20-7.40
Container ($1)	§ .26
Conzinc Riotinto	§8.0
Custom Credit	‡.20
Dunlop Rubber ($1)	1.16-1.17
Elder Smith Gold M.($1)	1.36-1.37
Esperance Minerals	0.05-0.06
E.Z. Industries	3.0-3.05
F. & T. (25 cents)	0.90-0.92
Hamersley Hlds	3.65-3.70
Hooker	1.13-1.14
I.C.I.A.N.Z. ($1)	1.40-1.50
I.A.C. Holdings	67-1.68
I.P.C. Aust. Invest	1.15-1.25
Jones (David)	1.53-1.55
Leichardt Exploration	0.10 0.15
Lend Lease	3.20-3.28
Magellan Petroleum	2.10-2.15
Meekatharra Minerals	‡.62-1.63
Metals Exploration	4.95-5.0
Mining Finance	0.40-0.43
MIM Holdings	5.25-5.27
Myer Emporium	2.36 2.40
News	‡5.10
Nicholas International	0.86-0.88
North BrokenHill	1.65-1.68
Oil Search	0.29-0.30
Pioneer Concrete	1.17 1.19
Tom Piper (57 cents)	1.35-1.40
Reckitt & Colman	3.90-3.95
Repco	1.89-1.90
Selco Nickel Contrib	0.16-0.17
Sipos Mining & Ex.Contrib.	0.90-0.94
H. C. Sleigh	0.46-0.47
Tooth ($1)	‡5.10
Unashrome	0.70-0.90
Waltons	1.14-1.16
Western Mining (50 cents)	3.40-3.45
Wingellina Nickel	0.04-0.06
Woolworths	0.72-0.73

JOHANNESBURG

MINES Aug. 5	Rand
Anglo American Corp.	6.95
Buffelsfontein	3.85
Charter	4.13
Cons. Gold	4.35
Daggafontein	†0.12
East Driefontein	3.23
East Geduld	0.15
Elsburg	1.11
Harmony	†1.30
Kinross	1.57
Kloof	4.75
Leslie	0.61
Pot. Plats.	3.12
St. Helena	9.30
South Vaal	3.00
West Wits	†15.00
Union Corp.	3.40
De Beers	3.33
Blyvoors	2.60
E. Rand Props.	†1.33
Free State Geduld	†10.15
Harties	3.93
Pres. Brand	8.65
Pres. Steyn	4.60
Stilfontein	†6.01
Welkom	†1.63
W. Driefontein	†16.30
W. Holdings	†15.40
Western Deep	†7.70
INDUSTRIALS	
African Explos. and Chem.	2.95
Alex Sagov (Hldgs.)	1.38
Amalgtd. Hotels	2.50
Anglo-Alpha Cement	†1.30
Anglo-Amer. Indus.	6.60
Barlow (T.) & Son	2.53
Barsab Invmt. Tst.	8.30
Bonus Invest. of S.A.	0.63
Currie Finance	0.52
Fed Volksbeleggings	2.60
Guardian Assce. (S.A.)	1.25
Hulett's Sugar	3.40
Imperial Cold Storage	1.57
Nat. Fund Invest.	0.38
Norman Bank	1.00
Oude Meester Cellars	0.45
Protea Holdings	1.38
Rand Mines Props.	3.45
Rembrandt Group	1.97
Retco	0.73
Sagov Inv. & Dev.	1.30
Santam Bank	0.73
Schlesinger Real Est.	1.38
Skyo	0.60
Slater Walker (SA)	8.05
S. African Breweries	1.47
S.A. Pulp	1.98
Trust Bank Africa	1.20
Twins Pharmaceutical	6.35

† Bid. ‡ Asked.

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STOCK EXCHANGE REPORT

'Cheap' buyers bring small rally with help of Wall St.

Share index 5.4 better at 394.9—Gilt-edged steadier

ACCOUNT DEALING DATES

Option First Dealings	Declarations	Last Dealings	Account Day
...26	Aug. 5	Aug. 6	Aug. 17
...9	Aug. 19	Aug. 20	Sept. 1
...23	Sept. 2	Sept. 3	Sept. 14

"New time" dealings may take place from 9.5 a.m. three business days earlier.

Wall Street continued as the dominant influence yesterday in London stock markets which opened on a cautious note on the failure of the Dow Jones to sustain its rally on Wednesday. Buyers were, however, showing a little more readiness after the recent sharp shake-out and the market as a whole was heartened by the better-than-expected second-quarter figures from Royal Dutch/Shell. Wednesday's bout of nerves on the U.S. dollar scare was still an inhibiting factor, but the "new-time" buying for the Account starting next Monday was in progress and end-Account closing of bear positions was also helping prices to rally.

Progress was slow, however, as illustrated by the modest (2.3) improvement in the Financial Times Industrial Ordinary share index at 2.45 p.m. Reports of an improvement in yesterday's early trade on Wall Street proved more potent and the index was taken to a close of 394.9 for a rise of 5.4. Yesterday's was the first gain in seven business days; during the previous six the index had lost ... points, or 5¾ per cent. Yesterday's better tendency was also reflected by the falls:rises ratio of ... in FT-quoted Industrials compared with the 15:2 ratio on Wednesday. Official markings were little changed at 11,620.

Funds steadier

Although still a little uncertain after the previous day's setback on currency fears, British Funds made a much steadier showing. Dealing conditions remained fairly quiet, but the appearance of a few buyers helped medium and long-dated stocks to improve ... A better tone also developed in the shorts where interest centred mainly on low coupon stocks, with Transport 3 per cent., ...-73, rising $\frac{1}{16}$ to 95¾ and Savings 3 per cent., 1965-75, ¼ to 89⅝. There was a litle more business in Corporations, but Commonwealth issues remained quiet.

An increased demand for investment dollars faded in the later trading and the premium, after touching 22¾ per cent., closed ¼-point higher at 22 per cent.

Banks move ahead

Buyers reappeared for Home Banks after the recent reaction and prices moved ahead to close near the day's best levels. Gains ranged between 13p and 24p, but trading was rather thin. Barclays finished 24p to the good at 597p, while National Westminster were finally 16p up at 593p, after 596p. National Commercial added 4p at 144p. Among Overseas issues, Barclays D.C.O. advanced 18p to 543p, and Lloyds and Bolsa 8p to 334p. Merchant Banks often improved, with Dalton Barton prominent at 362p, up 14p. Hill Samuel gained 6p to 120p, while London and County Securities, on the chairman's statement, ended 3p better at 218p, after 220p. Cedar Holdings, however, dipped 10p to 83p in a thin market. Hire Purchases were quiet and barely changed, apart from Refuge Securities which, at 60p, picked up 4p, of Wednesday's 10p fall on adverse Press comment.

Insurances were fairly active. After Wednesday's setback, Composites recovered some ground, but then fell back to the previous ngiht's levels before picking up again to end on a firm note. There was "new-time" demand for Commercial Union, which were outstanding with a net gain of 9p at 467p, after 477p; the interim results are due next Monday. "Royals" ended 4p better at 387p, after changing hands up to 391p. Lifes were easier for choice, but Sun Life rose 4p to 146p. Pearl declined 6p to 253p. L. Hammond improved 4p to 119p in brokers.

The Brewery market took on a better appearance, with prices improving in the course of quite a good two-way business. Allied regained 2p to 123p and Scottish and Newcastle rose 5p to 428p. Truman Hanbury put on 3p to 443p. Watney Mann hardened 1p to 118p, but IDV eased 1p to 68p and Grand Metropolitan Hotels shed 4p more at 184p.

In an irregular Building sector, Sir L. Parkinson were again prominent at 168½p, up 12½p, while gains of around 5p were seen in W. and C. French "A," 280p, Mitchell Construction, 243p, and J. Mowlem, 115p. London Brick rose 3½p to 87½p following the June brick and cement figures. Northern Developments were notably higher at 230p, up 8p. Atlas Stone were quoted ex the "rights issue" at 150p with the "new" at 16p premium. Bryant Holdings eased 3p at 53p, and International Paint were 4p cheaper at 133p.

ICI met a reasonable day's business and closed 7p higher at 317p. Horace Cory closed a shade higher after the increased interim dividend and profits, but Hickson and Welch, a firm market of late, dipped 5p to 420p.

Leading Stores were firmer, with the exception of "Gussies" "A" which shed 3p more to 411p. House of Fraser added 4p at 210p, while Marks and Spencer, 290p, and United Drapery, 138p, both put on 2p. Bensons Hosiery gained 3p to 31p, while rises of 4p were seen in Dixons Photographic, 79p, and Robert Kitchen Taylor, 71p. On the other hand, Austin Reed "A" came back 10p to 375p. Also easier were British Home Stores at 232p, down 4p.

Norvic active

Following the bid rejection and profits forecast for the year, Norvic advanced in a good turnover to 64p before easing to close 6½p up on balance at 62p, Drakes, the bidder, closed 1p better at 176p. Stylo hardened 2½p to 52½p, while Wearra were 1½p higher at 36½p.

Leading Electricals were quite active. Following the previous day's 7p reaction, GEC ended 1p better at 146p, after 147p. Dealers reported a good turnover, including a fair amount of "new-time" interest, in Reyrolle Parsons; after falling afresh to 141p, the shares recovered to 146p for a rise of 2p on the day. EMI eased at first to 124p, but rallied on the opening firmness of Wall Street to finish 4p up on balance at 130p. Thorn benefited from the chairman's encouraging statement with the full report and the "A" closed 8p higher at 397p, after 401p. Louis Newmark moved ahead 15p further to a peak for the year of 155p, while improvements of about 5p occurred in BSR, 360p, Electronic Machine, 50p, and Chloride, 112p. In contrast, Electrocomponents reacted to 270p before finishing with a net fall of 13p at 277p. Newman Industries declined 4p to 74½p.

Glynwed good late

Glynwed turned strong "after-hours" following the excellent interim figures and higher dividend forecast to end 11p higher at 173p. Engineerings were otherwise irregular, although leading stocks were firm. Tube Investments, 434p, and Metal Box, 364p, gained about 6p apiece, while Vickers revived with a 3p rise to 63p. Babcock and Wilcox staged a smart comeback, regaining Wednesday's 10p fall at 268p and, on the results and accompanying statement, Hawthorn Baker rose 3p to 40p. Gains of around 6p were seen in Rotork Controls, 109p, Hill and Smith, 75p, and Renold, 376p, but Edgar Allen ran into fresh selling from frustrated bid speculators and lost 6p further at 238p. Other dull spots included T. W. Ward, down 12p at 317p, Enots 9p lower at 79p, and Expanded Metal, 5p worse off at 100p. Stothert and Pitt also came back 5p, at 70p. Shipbuildings responded to the higher "ceiling" on cheap credit with rises of about 2p, while Alfred Herbert improved 3p to 50p in Machine Tools.

Macarthys Pharm. up

Macarthys Pharmaceuticals became a good feature in response to the increased dividend and profits, rising to 105p and closing a little below the best at 104p, up 13p on balance. Bydand were a better market and picked up 3p to 34p, while Business Computers rallied 2p to 40p. Hay's Wharf were notable for a rise of 25p at 292p, but Hoover "A" came on offer and dipped 36p to 440p. J. Coral recovered 12p to 124p, while Aaronson, 299p, and Austin Hall, 127p, both added 7p. Buyers were about for Griffiths Bentley 3½p to the good at 33p, but bid speculation died down in Miles Redfern and the price came back 3p to 125p. Portals rose 10p to 190p and gains of around 6p were seen in Norcros, 176p, Tremletts, 146p, and De la Rue, 206p.

Kinloch (Provision Merchants) stood out in Foods at 415p, up 25p, in response to the increased interim dividend and profits following demand in a thin market. J. Martin improved 4p to 22p on news that talks were taking place which might lead to an offer for the shares. Bovril firmed 2½p to 457½p following the declaration of interest in the situation by the Argentine syndicate, while Cavenham Foods were a shade higher at 100p and Rowntree Mackintosh steady at 500p. Associated Dairies, however, dipped 6p to 279p, while Associated Biscuits, 291p, and Reckitt and Colman, shed 3p and 4p respectively.

Curzon House were dull at 170p, down 5p, while falls of 4p were seen in Clydesdale, 134p, and Rowton Hotels, 118p.

Motor and Aircraft Component shares benefited from small buying. Daniel Doncaster picked up 3p at 50p and Bluemel Bros. were the same amount higher at 82p. Automotive Products gained 15p at 675p. Dunlop, after being uncertain at the start, improved to close 2p better at 142p, but Triplex Holdings lost 3p more at 143p. British Leyland staged a small recovery to 43p. Garages were quiet and mixed, with ARV Holdings 3p down at 35p on small profit-taking.

Helped by "new-time" buying, Properties rebounded from Wednesday's low levels. British Land, 135p, and Grand Junction, 127p, both regained 6p, while Bernard Sunley jumped 10p to 202p. Further persistent investment demand, still on the higher prospective net asset value and good results, lifted Town and City 7p more to 126½. Star continued higher to 203p, up another 5p, while Amalgamated Investment rose 7p to 282p in response to the latest deal concerning Hay's Wharf land. Land Securities recovered 3½p at 179½p. Ex the scrip issue, A. and J. Mucklow were quoted at 125p with the new Deferred at 67½p.

Leading Papers steadied, Reed International closing 3p better at 218p. Eden Fisher, at 77p, recouped 6p of the previous day's 8p fall.

Shell figures please

With the poor Shell Oil figures fresh in mind, the market regarded the Royal Dutch/Shell half-yearly performance as highly satisfactory and the price of Shell Transport rose quickly to 412p before easing to close 5p up on balance at 408p. Royal Dutch, after improving to £21¾, ended ¼ higher at £21½. Burmah moved better in sympathy and gained 6p at 428p, but British Petroleum were sluggish and finished 1p down on the day at 607p. Ultramar were also the turn off at 266p.

Shippings finished a shade lower in places following another day of little activity. Cunard held steady at 192p in quieter trading.

Trusts moved narrowly, although Giltspur were notable for an improvement of 5p to 140p, while the new shares were similarly better at 17p. Triumph put on 3p to 210p, but Philip Hill lost 4p to 161p.

Financials rally

Financial issues often rallied following Wednesday's weakness. Jessel Securities closed 8p firmer at 260p and the Deferred gained 4p to 162p, while S. Pearson and Son improved 4p to 224p and J. H. Vavasseur 6p to 168p. Ralli closed 3p better at 118p.

Trading in Tobaccos was much quieter. Following the previous day's fall of 18p which followed the interim results, "Bats" became a steadier market and picked up 4p to 357p.

Textiles made a mixed showing. Emu Wool were firm at 46p, up 3p, while H. R. Howard improved 2p to 75p, but Nova (Jersey) gave up 14p to 220p in a thin market.

Rubbers tended to harden a shade during a small business. Teas mainly held steady, but Pakistan issues were looking a little softer, with Longbourne losing 3p to a 1971 "low" of 167p. Ceylon Tea Plantations provided a firm spot at 126p, up 4p.

Golds edge higher

Gold shares continued to move upwards although rises were more modest than on Wednesday. The free market metal price ended unaltered at $42.75 per ounce. Firmness in the Cape and some U.S. interest here coupled with local buying added 15p to West Wit at 900p, while Hartebeest were 10p to the good at 235p. On the news that the merger is to go ahead, Western Reefs (286p) and Vaal Reefs (585p) put on 13p and 5p respectively.

Among Financials, a little end-Account profit-taking clipped 5p from CAST at 225p and "Johnnies" eased ¼ to £16¼. Lonrho were 2p up at 90p and Gold Fields ended unchanged at 260p after 263p. Charter gave up 6p at 242p.

Poseidon opened at £12 following the encouraging quarterly report but closed unaltered at £11½. Whim Creek ended 5p harder at 215p on further consideration of the Ruth Well nickel results.

Copper shares were irregular in quiet trading. Roan Consolidated put on 2p at 282p but "Zamanglo" fell 4p to 236p. Palabora were steady at 440p following Wednesday's late reaction on the lower half-year profits and dividend.

Tara Exploration moved higher in sympathy with firmness in the Canadian market, closing 15p up at 750p. Northgate were 10p better at 450p.

FINANCIAL TIMES STOCK INDICES

—	August 5	August 4	August 3	August 2	July 30	July 29	A Year ago
Government Sec.	73.94	73.77	74.30	74.13	74.03	74.34	71.28
Fixed Interest	73.88	73.87	74.00	73.98	74.02	74.31	72.64
Industrial Ordinary*	394.9	389.5	396.2	397.8	401.5	404.2	343.1
Gold Mines	58.8	58.0	57.0	57.8	58.1	57.7	48.7
Ord. Div. Yield p.c.	3.82	3.85	3.81	3.80	3.76	3.75	4.86
Earnings Yield p.c (a)	5.96	6.02	5.94	5.93	5.84	5.80	6.64
P/E Ratio (a)	16.79	16.62	16.84	16.85	17.12	17.26	15.07
Dealings Marked	11,620	11,495	11,698	12,386	12,254	12,940	7,456

*10.30 a.m 392.0 Noon 391.9 2.45 p.m 391.8

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-246 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.83 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Int. Ord.	413.2 (27/7/71)	305.3 (3/3/71)	521.9 (19/9/65)	49.4 (28/5/40)
Gold Mines	61.3 (18/3/71)	52.3 (8/7/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	August 5	August 4
Daily—		
Gilt-Edged	165.8	160.0
Industrials	422.2	424.3
Speculative	191.8	170.4
Totals	264.5	261.6
5-day ave—		
Gilt-Edged	164.4	165.7
Industrials	430.8	438.1
Speculative	180.3	176.6
Totals	270.2	276.2

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

AUTHORISED UNIT TRUSTS (p★★★)

				§ Yield %
(g) Abacus Management				
...all Mall, Manchester 2. (061) 832 5027				
...	34.9	36.9xd	......	3.40
...h Units	29.7	31.7xd	......	3.40
...e Units	28.9	30.7xd	......	7.40
...d Hambro Group				
(g) Allied Investors Trts. Ltd.				
[illegible]				

				§ Yield %
(a) (b) (c) Equity & Law Un. Tr. M.				
Amersham Rd., High Wycombe, Bucks. Tel. High Wycombe 32815				
Equity & Law Unit	46.8	49.2	+0.1	2.63
Family Fund Managers Ltd.				
16, Coleman St., London, E.C.2. 01-606 7611				
The Family Fund	60.1	63.3	......	2.55
[illegible]				

				§ Yield %
(a) Mallet & Wedderburn Ltd.				
82, Lombard Street. E.C.3. 01-626 1881				
(b) Overseas Units	26.1	27.7	......	1.80
Minster Fund Managers Ltd.				
Minster House, E.C.4. Phone 623 1050				
Minster Fd July 23	40.7	42.0	......	3.20
[illegible]				

				§ Yield %
J. Henry Schroder Wagg & Co. Ltd.				
120, Cheapside, E.C.2. 01-588 4000				
Capital (Aug. 3)	103.2	105.8	......	2.12
(Accum. Units)	107.3	110.0	......	2.12
Income (Aug. 3)	114.3	117.2xd	......	4.62
(Accum. Units)	123.6	126.7	......	4.62
General (Aug. 4)	61.3	63.1xd	......	2.62
[illegible]				

OFFSHORE AND OVERSEAS FUNDS (p★★★)

				§ Yield %
Albany Management Co. Ltd.				
Utility Hs. PO Box 463, Hamilton, Bermuda				
Albany Fund Ltd.	£5.05	£5.39	......	1.00
American Express Inv. Mngmt. Co.				
154, Edward St., Brighton. U.K. BR1 685411				
Am. Ep's. Int Fd.	$8.55	9.11	−0.09	—
[illegible]				

				§ Yield %
Eurosyndicat Group				
Eurunion Lux F.	1,899	1,975	......	3.18
Finance Union Lux F.	519	540	......	5.14
For Sterling Dealing Prices contact London Agents N.M. Rothschild & Sons, Ltd., 626 4356, Hill Samuel & Co. Ltd. 628 8011.				
[illegible]				

				§ Yield %
Investors Diversified Services				
Bertigny 9, Fribourg C.H. Tel. 3-25-281.				
CARIBICO N'V.	$10.01		−0.08	—
Jardine Fleming & Co. Ltd.				
22, Pedder Street, Hong Kong.				
[illegible]				

				§ Yield %
Save & Prosper Distributors Ltd.				
P.O. Box 1434, Hamilton, Bermuda.				
*Dollar Fund	£4.86	5.31	......	—
*Hampstead	£6.74	7.37	......	—
†Monitor	£4.56	4.97	−0.15	—
*S. & P. J. J. F.	U$5.48	4.75	+0.01	—
*Sterling Fund	£4.31	4.71	+0.02	—
*Prices on Aug 2. Next dealing Aug. 9.				
[illegible]				

INSURANCE, PROPERTY, BONDS

[illegible]

NOTES

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for August 5

Thursday, August 5	11,620	Tuesday, August 3	11,598	Friday, July 30	12,254
Wednesday, August 4	11,493	Monday, August 2	12,385	Thursday, July 29	12,940

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

FOOD PRICE MOVEMENTS

	August 5 £ per ton	Week ago £ per ton	Month ago £ per ton
§ BACON			
Danish A.1†	345	345	360
British A.1	325	325	340-[illegible]
Irish Special A	330	330	345
Polish A.1†	325	325	340
Ulster A.1	325	325	340
§ BUTTER	per cwt.	per cwt.	per cwt.
N.Z. packet	24.15-.35	24.15-.35	24.15-.35
Australian packet	24.15	24.15	24.15
Danish salted packet†	26.95	26.95-27.00	26.95-27.[illegible]
§ CHEESE			
English cheddar white creamery selected	20.25	20.25	18.25
N.Z. finest rindless 40-lb blocks	16.80	16.80	15.80
* EGGS			
Home-prod. Standard	1.30-1.65	1.20-1.60	1.60-1.[illegible]
Large	1.60-1.90	1.50-1.80	1.80-2.00

BEEF	August 5 per lb p p	Week ago per lb p p	Month ago per lb p p
Scotch killed sides	17.5—20.4	18.0—20.6	18.0—[illegible]
Eire forequarters	12.1—12.9	11.7—12.9	11.7—[illegible]
Argentine chilled rumps	32.5—35.0	31.2—34.0	33.3—[illegible]
LAMB			
English	12.0—17.5	15.0—19.2	16.7—[illegible]
N.Z. 2s—Ds	12.5—14.2	12.5—14.2	12.7—[illegible]
PORK (all weights)	9.2—15.0	10.0—14.2	10.0—[illegible]
MUTTON			
English ewes	4.0— 6.0	4.0— 6.0	6.5—[illegible]
‡ POULTRY			
Broiler Chickens (all weights—oven ready)	14.0—14.5	13.5—15.0	14.5—[illegible]

* Prices per 120 eggs on Tuesday, August 3. † Ex [illegible] ‡ Prices on August 4. § London Provision Exchange prices.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses after sectional names show number of stocks.

EQUITY GROUPS / GROUPS & SUB-SECTIONS	Thursday, August 5, 1971 Index No.	Day's Change %	Est. Earnings yield % (With 40% Corporation Tax)	Est. Price/Earnings Ratio (With 40% Corporation Tax)	Div. yield %	Wed. August 4 Index No.	Tues. August 3 Index No.	Mon. August 2 Index No.	Friday July 30 Index No.	Year ago (approx) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	152.46	—	6.19	16.17	3.90	152.62	155.64	154.91	155.80	119.46	158.62 (28/7)	104.03 (2/3)	181.60 (19/9/68)	82.82 (26/6/62)
Aircraft and Components (3)	109.14	−0.5	7.50	15.55	5.72	109.70	110.26	108.89	109.41	95.13	110.88 (28/7)	66.40 (3/3)	280.12 (23/8/68)	66.40 (3/3/71)
Building Materials (29)	150.85	—	5.14	19.45	3.59	150.78	153.50	155.65	155.40	101.93	157.94 (28/7)	98.30 (2/3)	167.98 (20/9/68)	85.01 (26/6/62)
Contracting and Construction (19)	229.70	−0.2	5.95	16.80	2.62	230.15	231.34	230.25	229.53	194.63	233.13 (28/7)	152.63 (26/3)	233.13 (28/7/71)	94.39 (27/6/62)
Elctrls. (ex. Elctrn. Rad. & TV) (13)	263.69	−0.2	5.30	18.86	3.11	264.09	276.08	372.75	273.82	196.49	283.44 (27/7)	174.23 (2/3)	335.11 (17/9/68)	84.71 (26/6/62)
Engineering (80)	144.84	+0.1	6.62	15.10	4.30	144.72	146.62	146.27	147.26	116.08	149.28 (28/7)	102.56 (3/3)	160.85 (19/9/66)	82.90 (26/6/62)
Machine Tools (15)	66.34	+1.1	7.46	13.40	6.12	65.61	66.00	65.26	64.70	66.58	66.34 (5/8)	43.86 (6/3)	136.70 (4/7/66)	43.86 (6/3/71)
Miscellaneous (25)	128.83	−0.5	8.06	12.40	4.47	129.47	131.33	132.10	132.37	114.95	134.66 (26/1)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
CONSUMER GOODS (DURABLE) GROUP (56)	167.43	+0.9	5.27	18.86	3.10	166.00	168.95	168.24	169.24	131.05	173.85 (27/7)	117.33 (2/3)	197.87 (15/1/69)	79.96 (25/6/62)
Electronics, Radio and TV (14)	178.39	+1.9	5.75	17.40	2.48	173.09	176.93	175.78	177.71	147.06	180.45 (28/7)	128.51 (2/3)	199.86 (19/9/68)	71.10 (6/11/66)
Household Goods (15)	179.40	−3.9	6.46	15.48	3.69	186.62	186.20	186.03	186.71	124.00	189.00 (28/7)	115.92 (8/3)	189.00 (28/7/71)	86.65 (26/6/62)
Motors and Distributors (27)	115.91	+1.0	4.38	22.85	3.66	114.75	116.86	116.56	116.66	86.58	120.58 (27/7)	78.91 (2/2)	170.59 (15/1/69)	75.92 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (175)	157.55	+0.4	5.70	17.54	3.87	156.92	160.34	159.72	161.62	117.44	164.68 (16/7)	118.17 (5/4)	164.68 (16/7/71)	83.71 (8/11/66)
Breweries (21)	178.59	+0.7	5.59	17.89	3.56	177.43	181.70	182.40	182.65	121.45	194.97 (15/7)	123.30 (4/1)	194.97 (15/7/71)	80.39 (30/8/66)
Wines and Spirits (7)	168.08	+0.5	6.21	16.11	4.16	167.19	170.69	171.59	170.97	145.65	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
Entertainment and Catering (15)	193.68	−0.9	7.39	13.53	4.01	195.38	199.57	199.22	201.26	171.54	214.59 (15/7)	177.99 (2/3)	231.89 (21/1/69)	80.11 (23/7/62)
Food Manufacturing (24)	138.15	+1.0	5.84	17.15	3.93	136.84	138.80	138.93	140.02	103.14	141.89 (28/7)	99.74 (2/3)	171.64 (31/1/69)	95.98 (16/6/70)
Food Retailing (17)	136.18	+0.5	5.53	18.08	3.70	135.51	137.17	137.59	137.86	99.59	139.04 (28/7)	100.23 (2/3)	163.68 (7/8/68)	94.62 (27/5/70)
Newspapers and Publishing (15)	136.49	−0.4	6.29	15.90	5.20	137.06	139.05	140.20	140.85	108.70	142.39 (23/7)	101.66 (13/1)	184.86 (28/1/69)	81.74 (25/7/62)
Packaging and Paper (16)	112.88	+0.7	6.85	14.60	4.59	112.12	115.29	114.30	115.94	103.73	120.10 (27/7)	88.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
Stores (30)	151.90	—	4.48	22.33	3.06	151.97	155.01	152.69	156.31	101.62	160.64 (27/7)	104.48 (2/3)	160.64 (27/7/71)	72.74 (8/11/66)
Textiles (21)	158.13	+0.2	5.88	16.99	5.37	157.80	173.71	173.52	175.39	134.52	177.77 (28/7)	137.81 (2/3)	253.72 (17/9/68)	89.90 (20/7/62)
Tobacco (3)	236.80	+1.7	8.99	11.12	5.61	232.74	240.69	240.29	244.43	197.30	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (13/6/62)
Toys and Games (6)	45.55	+0.2	—	—	5.60	45.48	45.96	47.10	48.90	55.72	50.04 (12/1)	45.48 (4/8)	135.72 (16/1/70)	45.48 (4/8/71)
OTHER GROUPS														
Chemicals (19)	183.88	+1.2	5.48	18.25	3.58	181.70	185.91	185.86	188.55	139.95	193.39 (28/7)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
Office Equipment (10)	188.50	−0.3	3.71	26.96	1.59	189.06	192.39	193.28	195.42	135.00	212.05 (16/7)	153.52 (15/2)	212.05 (16/7/71)	109.12 (26/5/70)
Shipping (10)	313.36	−0.4	7.52	13.30	5.26	314.51	316.51	316.53	317.83	322.34	325.75 (1/4)	269.76 (16/4)	355.44 (9/10/70)	90.80 (29/6/62)
Miscellaneous (unclassified) (44)	180.04	+0.4	5.99	16.70	3.82	179.28	183.27	184.02	186.60	131.16	190.33 (27/7)	128.55 (2/3)	190.33 (27/7/71)	76.52 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	163.72	+0.4	5.72	17.48	3.71	163.07	166.46	166.03	167.75	—	170.96 (27/7)	120.61 (2/3)	170.95 (27/7/71)	120.61 (2/3/71)
Oil (2)	351.05	+1.6	5.77	17.34	3.57	345.66	355.04	354.60	357.05	263.52	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
500 SHARE INDEX	179.58	+0.6	5.73	17.46	3.69	178.54	182.43	182.00	183.78	156.39	187.27 (27/7)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
FINANCIAL GROUP (121)	167.06	+1.0	—	—	2.85	165.47	169.06	169.28	170.61	111.82	173.44 (28/7)	119.73 (10/2)	173.44 (28/7/71)	69.38 (30/8/65)
Banks (6)	181.19	+2.1	7.61	13.13	2.80	177.55	180.67	182.00	186.43	102.07	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
Discount Houses (6)	169.17	−0.2	—	—	4.56	169.55	172.50	173.28	173.96	119.84	176.87 (27/7)	130.72 (6/1)	176.87 (27/7/71)	87.65 (18/6/69)
Hire Purchase (6)	250.90	+0.5	4.29	23.33	3.05	249.75	251.22	250.60	252.58	180.28	266.59 (19/7)	188.57 (18/1)	266.59 (19/7/71)	80.02 (3/8/65)
Insurance (Life) (9)	143.82	−0.5	—	—	3.01	144.49	149.34	148.77	149.22	120.23	155.17 (16/7)	123.16 (18/1)	159.83 (16/1/69)	61.35 (30/8/65)
Insurance (Composite) (9)	129.92	+1.0	—	—	3.29	126.59	132.18	132.18	132.20	81.27	134.50 (28/7)	89.80 (10/2)	134.50 (28/7/71)	54.40 (16/5/65)
Insurance (Brokers) (10)	173.13	—	5.06	19.76	2.61	173.04	175.47	175.37	176.21	103.33	179.08 (22/7)	118.27 (4/1)	179.08 (22/7/71)	82.59 (24/7/63)
Investment Trusts (20)	188.47	—	3.02	33.14	2.61	188.39	192.64	191.38	191.87	146.04	198.14 (16/7)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
Merchant Banks, Issuing Houses (15)	163.37	+0.5	—	—	2.34	162.51	166.99	167.58	169.46	116.98	173.43 (20/7)	108.44 (16/5)	181.25 (14/2/69)	50.47 (16/7/65)
Property (31)	209.33	+1.7	2.77	36.07	2.29	205.89	208.72	209.53	210.01	139.46	210.88 (28/7)	139.37 (8/3)	210.88 (28/7/71)	56.01 (20/4/65)
Miscellaneous (9)	171.57	+0.5	5.97	16.74	4.51	170.78	175.89	176.92	177.39	—	179.01 (26/7)	120.73 (4/1)	179.01 (26/7/71)	120.06 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	176.36	+0.7	—	—	3.49	175.19	179.00	178.74	180.40	130.24	183.66 (27/7)	129.47 (2/3)	183.66 (27/7/71)	83.72 (25/6/62)
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
Rubbers (10)	203.75	+0.4	11.25	8.89	8.69	203.01	203.41	203.23	202.67	137.47	211.88 (20/7)	163.62 (7/4)	211.88 (20/7/71)	84.68 (25/8/65)
Teas (10)	88.88	−0.2	17.29	5.78	9.03	89.08	88.56	88.19	88.05	72.12	91.08 (15/7)	78.71 (3/3)	114.64 (14/6/64)	59.96 (14/11/66)
Coppers (4)	324.62	−1.3	54.69	1.83	15.22	328.82	328.03	329.64	331.17	287.58	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
Mining Finance (11)	103.16	−0.4	5.49	18.22	3.31	103.59	103.25	103.52	104.48	121.84	106.79 (5/7)	96.00 (2/3)	175.90 (28/4/69)	96.00 (2/3/71)
Tins (8)	70.95	−1.1	11.19	8.94	8.65	71.76	72.48	72.18	72.17	56.67	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/66)	54.83 (27/5/70)

FIXED INTEREST	Thurs., August 5 Index No.	Thurs., August 5 Yield %	Wed. August 4	Tuesday August 3	Monday August 2	Friday July 30	Thurs. July 29	Wed. July 28	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	9.42	9.42	9.33	9.32	9.32	9.27	9.25	9.00	—	—	—	—
20-yr. Govt. Stocks (6)	77.80	‡8.38	77.81	78.16	78.03	77.77	78.26	78.75	74.84	80.68 (16/7)	70.60 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	72.15	‡10.24	72.18	72.14	72.02	72.02	72.06	72.02	71.20	72.44 (19/7)	68.42 (4/1)	113.43 (25/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	69.31	10.65	69.31	69.31	69.10	69.10	68.95	68.95	71.80	69.38 (14/6)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	74.35	10.38	74.41	74.41	74.39	74.41	74.41	74.36	75.21	74.41 (29/7)	69.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

...n or Group	Base Date	Base Value
...anufacturing	29/12/67	114.13
...etailing	29/12/67	114.13
...e Brokers	29/12/67	96.67
Finance	29/12/67	100.00
...nd Spirits	16/1/70	144.76
...d Games	16/1/70	135.72
...quipment	16/1/70	162.74
...al Group	31/12/70	128.20
...neous Financial	31/12/70	120.06
...r	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGE: Tillotson and Son "A" has been replaced by Beatson Clark (Packaging and Paper).

ITV decision on sport ratified

BY ARTHUR SANDLES

COMMERCIAL television last night formalised its decision to soft pedal "face-to-face" competition with the BBC over sport. Although extensive sports coverage will continue on ITV screens, events like the Olympic Games and the World Cup will be left effectively to the BBC.

ITV sport as a separate commercial entity, similar to Independent Television News, has now ended.

"It is ITV's policy to reduce the number of simultaneous sports programmes on the two major channels, said the ITV Network Programme Committee last night. "Every attempt will be made to offer the viewer a choice between sport and alternative programmes. In particular, ITV will cover time-consuming events, such as the Olympic Games and the World Cup, in such a way as to make the two services complementary.

"ITV thus believes that it will best serve its viewers in 1972 by showing regularly, within a news format, the highlights of each day's Olympic events. It will not compete with the BBC in running coverage of events in progress to the detriment of its general interest programmes."

ITV sport will be brought into the main stream of the contractors' network programme structure and the sport sub-committee is being reconstructed. It will be headed by a programme controller from one of the major companies. Its first chairman is Mr. Bill Ward of ATV.

The companies stressed last night that it was their aim "to strengthen the increasingly successful coverage of sport."

The changes are seen as a victory for the ATV camp. Sir Lew Grade, chief executive of that company, has argued in favour of "alternative programmes" for a long time.

Football deal

On the brighter side ITV is in the process of completing its biggest sports deal after negotiations with the Football League. The companies hope to sign a contract soon for the exclusive showing of League football recordings on Sunday until 1974 at a record six figure fee.

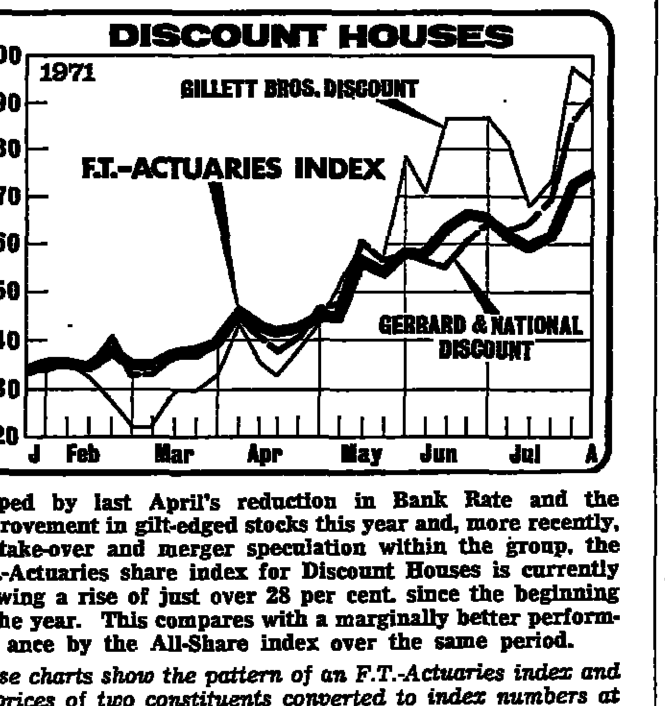
Each of the companies will have rights to show a minimum of 30 programmes per season. Each recording will comprise an edited report of up to 45 minutes' duration. The companies will continue coverage of regional weekend football.

The decision to drop full coverage of the Olympics, revealed exclusively in the Financial Times some weeks ago, was a turning point in ITV's sports philosophy. The BBC's full use of its two alternative channels at weekends has proved too much.

SPARES YIELD BAC £4M.

BRITISH Aircraft Corporation's military aircraft division earned almost £4m. from spares, repairs and associated items delivered to the U.K. Government and overseas air forces during the first half of 1971.

If BAC maintains this rate of sales it will improve on last year's record (£6.9m.) by more than £1m. The total takes no account of complete aircraft sold.



Helped by last April's reduction in Bank Rate and the improvement in gilt-edged stocks this year and, more recently, by take-over and merger speculation within the group, the F.T.-Actuaries share index for Discount Houses is currently showing a rise of just over 28 per cent. since the beginning of the year. This compares with a marginally better performance by the All-Share index over the same period.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

Colonial Sugar 245 4
Cassiar Asbestos £11
Coles (G. J.) 38
Columbia Picture Indust. 490
Ciba Geigy 7¼pc 1978-91 (£50 pd.) 68½
Deltic Intl. 315Φ
Eastmet Minerals 2
E. Z. Industries 138
Hamersley Holdings 170Φ 68 3
Harbourside Oil 2¼ 1¼
Hooker Corp. 54
Hutchison International 180
International Mining Corp. 14½Φ
International Pacific Corp. 51Φ
I.B.M. £144Φ 5
Jardine Matheson 316 12 18
Jennings (A. V.) 89

Pacific Copper 100Φ
Poseidon £13¼Φ 12 ½ 11¾ 12¼ 11⅞ ½
Pioneer Concrete 52½Φ 2
Pan Continental 57 62
Planet Oil 20 19
Peko Wallsend 415 20
Do. Options 180
Petrofina £40
Rio Algom Uranium 775
Ranger Oil 680
Reynold Bros. 168
Reef Oil 6Φ 6
Swift Co. £19¹⁵⁄₁₆Φ
Stellinbosh Wine 285Φ 75‡
Selcast 81Φ 80½Φ 80Φ 2½ 1 80½
Swissair Bearer £70
Sherritt Gordon Mines 750
Shell Oil £22⅜

CORAL INDEX
Close 394-399

NEW 'HIGHS' AND 'LOWS' FOR 1971

NEW "HIGHS" (65)

NEW "LOWS" (14)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	37	—	11
Corps. Dom. and Foreign Bonds	8	3	117
Industrials	324	360	1,023
Financial & Prop.	138	129	255
Oils	10	2	11
Plantations	[illegible]	[illegible]	[illegible]
Mines	44	25	11
Recent Issues	10	22	30
Totals	583	551	1,704

U.K. REVENUE

SPECIAL LIST

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Burmah Oil	£1	17	428	+ 5	477	297½
Imp. Chem. Inds.	£1	15	317	+ 7	328	280
Commercial Union	25p	14	467	+ 9	480	320
Norvic Shoe	25p	14	62	+ 6½	64	26½
Beecham	25p	12	318	+ 2	355	225
Coral (J.) Hldgs.	10p	12	124	+12	151	67½
Star (GB)	50p	12	203	+ 5	203	100½
Barclays Bank ...	£1	11	597	+24	618	327½
De Beers Defd. ...	R0.05	11	210	+ 3	258	207
Hay's Wharf	£1	11	292	+25	301	242½
Thorn "A"	25p	11	397	+ 8	416	256
Unilever	25p	11	312	+ 4	327	215
Brit. Petroleum ...	£1	10	607	− 1	628	403
Consd. Gold Fields	25p	10	260	—	285	213½
Lloyds Bank	£1	10	507	+14	618	310

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.

REGIONAL MARKETS

A rather better tendency developed yesterday following the Shell half-yearly results.

Allied Irish Banks eased 2½p to 500p on the Irish Exchange, but Bank of Ireland added 5p at 380p. *P. J. Carroll dipped 2p to 60p and* Irish Distillers 1p to 107p.

On the Midlands and Western SE, Gateway Securities "A" lost 3½p to 58½p, and Stothert and Pitt further declined 5p to 70p, but 1p improvements were noted by Bowyers (Wiltshire), 150p, DRG, 154p, and F. J. Reeves, 46½p.

Kent Castings improved 3p to 85p, Bensons put on 2½p to 30p, while David S. Smith, 36p, were 1p higher. John Bland, 35p, British Dredging, 75½p and Home Fare, 18½p, were all 1p easier.

Griffiths Bentley were 3½p better at 31p, but David Charles, 63p, and Page Johnson "A," 116p, each shed 2p.

On the Northern Exchange, Wilson Peck were marked down £1 to £11 as a result of selling on a thin market, Farnell Electronics lost 7p to 188p, as did *Allied Colloids to 150p.* J. Hepworth "B" moved up 4p to 346p, but Empire Stores surrendered 3p to 312p, as did Montague Burton "A" to 225p. Stag Line shed 3p to 94p, while Common Bros. eased 2p to 108p. C. T. Bowring dropped 4p to 452p. Reyrolle Parsons fell 6p more to 144p, and BBA were another 4p weaker at 131p. British Cotton and Wool Dyers were 2p down at 21p.

Geo. Bassett lost 4p to 100p and Leeds Assets were 3p lower at 115p, but J. Waddington "B" improved 3p to 213p. Carliol Investment Trust, at 190p, and Tyneside Trust, at 388p, both fell 4p.

Edgar Allen lost ground to around 238p, as did James Neill to 142p. Burnett and Hallamshire marked at 45p and the "A" at 43p.

On the Scottish SE, Bank of Scotland gained 5p to 500p, National Commercial Bank 3p to 142p and Babcock and Wilcox 5p to 266p. Scottish Metropolitan Properties added 4p at 106p, while 2p gains showed in Distillers, at 151½p, Highland Distilleries, at 158p, John Brown at 149p, and Scottish Brewers at 426p. Martin Black shed 2½p to 45p, and Goldberg, 2p to 112p, while Coats, at 58½p, Lyle Shipping, at 79p, and United Biscuits, at 204p, all dipped 1p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fast(3½%)197...	£95	......
B'fast Rope £1.	75	+1½
Hughes (B) £1.	150	......
Vulcanite	107½	......

IRISH EXCHANGE

NORTHERN EXCHANGE

MIDLANDS & WESTERN

SCOTTISH EXCHANGE

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7

Business was fairly active yesterday in the Option market, but declarations were reported as moderate. Stocks favoured for the "call" were British Leyland, Giltspur, Barclay Securities, Pearl, Pontins, Cannon Street Investments, Bishops Stores, Shell Transport, President Steyn, Stylo, E. Scragg, Turner and Newall, D. Macpherson, Wilkinson Sword "A," Dixons Photographic, Tremletts, Wolseley-Hughes, Charterhall Finance, Marks and Spencer, EMI, Distillers, Fitch Lovell, Burmah Oil and Babcock and Wilcox.

"Puts" were done in Town and City, T. Tilling and Lonrho, while "doubles" were completed in Tower Assets and Cannon Street Investments.

Prices in pence unless otherwise stated.

Industrials							
		G.U.S. "A"	19	Reed Int.	[illegible]	**Mines**	
		Guardian	14	Slater Walker	20	Anglo Amer.	25
A. P. Cement	18	Guest Keen	20	Tesco	5	Broken Hill Prop.	[illegible]
Barclays Bank	25	Hawker Sidd.	17	Thorn 'A'	20	Charter Cons.	22
Beecham	18	Hay's Wharf	20	Tube Invs.	22	Charterhall Fin.	[illegible]
Boots Drug	11	House of Fraser	13	Unilever	20	Cons. Gold	17
Bowaters	15	I.C.I.	14	Utd. Drapery	12	De Beers Def.	16
B.A.T.	20	"Imps"	6	Vickers	7	F. S. Geduld	52
British Leyland	3	I.C.L.	17	Woolworth	5	Great Boulder	20
British Oxygen	5	Int. Stores	7			Hampton Areas	15
Burton "A"	15	Inveresk Paper	5	**Property**		Hampton Props.	9
Butlin's	3	Jessel Secs.	25	Cap. Counties	12	Kloof	20
Cadbury's	7	Legal & General	22	Land Secs.	12	Lonrho	10
Courtaulds	10	Lloyds Bank	25	Peachey	7	Loraine	6
Cunard	13	"Lofs"	7	Star. (Gt. Brit.)	10	Metals Explor.	26
Debenhams	14	"Mams"	14	Town & City	10	Newmetal	5
Distillers	11	Marks & Spenc'r.	20	Town & Comm.	11	Poseidon	£2½
Dunlop	13	Metal Box	22			Pres. Steyn	15
EMI	12	Midland Bank	22	**Oils**		Rio-T.Zinc	15
Fisons	17	Natl West Bank	22	Brit. Petroleum	55	Welkom	12
G.R.A. Trust	12	P.&O. Defd.	15	Burmah Oil	55	West Areas	9
Gen. Accident	11	Plessey	10	Oil Search	4	Western M'ng.	20
General Electric	9	Ralli Intl.	11	Shell	25	Zambia Copper	7
Glaxo	25	Rank Org. "A"	47	Ultramar	24		

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

... dividend passed or deferred. c Canadian. E Figures based on prospectus or other official estimates for 1971-72. F Figures based on prospectus or other official estimates for 1970. G Assumed dividends and yield after pending scrip and/or rights issue. H Excluding refunds of U.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972.

... lates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 6s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment; cover does not apply to special payment. A Net dividend and yield. B Preference dividends.

‡ Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.

♥ Excluding a final dividend declaration.

♣ Provincial quotations.

§ No par value.

Abbreviations: xd ex dividends; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; xcd ex capital distribution; xpb ex partial bid.

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gross Yield Interest £	Gross Yield Redemption £
		"Shorts" (Lives up to Five Years)				
99½	97	Gas 3½pc '69-71	99 xd	......	—	5.64
100	99	Exchequer 6½pc 1971	100 xd	....	—	5.64
100¼	96	Conv. 6pc 1972	100 xd	+	5.98	5.41
98	96⅞	Gas 4pc 69-72	98 xd	+	4.05	5.34
100	96	Exchequer 6¾pc 1972	100 xd	......	6.80	5.42
101	96	Exchequer 6¾pc 1973	101	......	6.66	5.69
96	92⅝	Electric 3pc '68-73	95¾	+	3.14	5.71
95	92⅝	Transport 3pc '68-73	95¾	+	3.14	5.71
97	95⅞	Conv. 5½pc 1974	97	+ ⅛	6.41	6.38
101	96	Treasury 6¾pc 1974	100⅞	+ ⅛	6.69	6.44
90	84	Saving 3pc '65-75	89⅝ xd	+ ⅛	3.35	5.93
98	93	Treas. 6% 1975 ●	98	+ ⅛	6.10	6.54
99⅛	85	Exch. 6½pc 1976	97⅞ xd	+ ⅛	6.64	7.06
		Five to Fifteen Years				
98¼	94¾	Victory 4pc 1976	96½ xd	......	4.13	5.34
98½	97¼	Funding 4pc '60-90	98	......	4.12	5.10
100⅛	93½	Treasury 6½pc 1976	97¼ xd	+ ¼	6.67	7.12
88	80	Electric 3pc 1974-77	87¼	......	3.48	6.95
88	81	Transport 4pc '72-77	87¼	......	4.61	6.58
91¼	82⅝	Exchequer 5pc '76-78	90¼	......	5.65	7.08
85½	75⅝	Electric 4¼pc '74-79	83¾	......	5.14	7.07
80⅛	70	Do. 3½pc '76-79	78¾	+ ¼	4.49	7.06
76¾	68⅛	Treasury 3½pc '77-80	77½	+ ¼	4.56	7.07
88⅝	76⅞	Funding 5¼pc '78-80	86¾	+ ¼	6.10	7.43
76⅝	67¾	Treasury 3½pc '79-81	75 xd	+ ¼	4.65	7.15
104	93⅝	Do. 8½pc '80-82	101	+ ¼	8.46	8.41
85⅞	71	Funding 5½pc '82-84	81½	+ ¼	6.77	7.90
		Over Fifteen Years				
101⅝	90¼	Treasury 8½pc '84-86	99¼	+ ¼	8.61	8.67
86¾	76	Funding 6½pc '85-87	84½	+ ¼	7.87	8.53

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH LOANS AND AFRICAN

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

S.E. List Premium

CANADIANS

S.E. List Premium

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscel.)

"Recent Issues" and "Rights" Page

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

[illegible]

INSURANCE

[illegible]

MACHINE TOOLS

[illegible]

MOTOR, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Aircraft

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

STEELS

[illegible]

TEXTILES—GENERAL

[illegible]

TEXTILES—WOOL

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

UTILITIES

[illegible]

OILS

[illegible]

RUBBERS—MALAYSIAN

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
[illegible]							
64	61¼	Duff Devel.	63	......	25	—	1.5
16½	14¾	East Asiatic 5p	16¼	+¼	†37½	1.2	11.5
12⅛	10½	Gadek 10p	12	......	16	1.0	15.3
41¾	32⅝	Golden Hope 10p	38¾	......	†35	1.3	9.0
205	158⅜	Guthrie Corp. £1	201	......	16	1.2	8.0
36½	26⅝	Highlands 10p	34¼	+½	30	1.2	9.0
23¼	17	Kuala Kepong 10p	22½	......	20	1.3	8.9
25	17½	Kulim 10p	25¼	+¼	21	1.7	8.3
44½	35	London Asiatic (10p)	42¾	+¼	40	1.4	9.4
18	15½	Malakoff (10p)	18	......	10.4	2.1	5.8
22¼	16	Malaya Gen. (10p)	22	......	17½	1.3	8.0
19½	14½	Merliman Peg. (10p)	17	−½	17½	1.8	10.3
20	16	Muar River (10p)	19¼	+⅝	25	1.6	13.0
8¾	6½	Padang Senang (10p)	6¾	......	10	1.1	14.8
41¼	31½	Pataling (10p)	38¾	......	37½	1.4	9.7
26¾	17½	Plantation Hgs. (10p)	22¾	......	20	1.3	8.8
42	29¾	Seafield Amal. (10p)	42	+½	35	1.3	8.3
27	21	Sogomana (10p)	25	......	35	1.1	14.0
17½	12½	Straits Rubber (10p)	17½	+¼	15	U1.4	8.6
340	306	Sungei Krian (£1)	340	......	35	1.6	10.3
14¾	11¼	Taiping (10p)	14¼ xd	......	‡20	1.2	‡
12¼	10½	Warren Hdg. (10p)	11½	......	15	1.6	13.0

RUBBERS—MISCELLANEOUS

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
34	22	Anglo-Indon'sn (£1)	30½	−½	—	—	—
4⅜	3¾	Ceylon Para. (10p)	3¾	......	2½	3.3	6.7
3½	2⅝	Grand Central (10p)	3	......	7	1.3	23.3
17½	13¾	Lon. Sumatra (10p)	17¼	+¼	14	ϕ	8.5
14¼	12¼	Malayalam (10p)	13½	+¼	22	0.5	16.9
6¼	6¼	Talogoredjo (£1)	6¼ ¢	......	—	—	—

SISAL

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
6	3	Bird & Co.	3	......	—	—	—
25	15	Central Line (50p)	16	......	—	—	—
15¾	6	Dwa Plant (10p)	11	......	B—	—	—

TEAS

India and Pakistan

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
82½	68	Amalgamated (£1)	80	......	7½	1.2	9.5
30	18	Assam & Africa (£1)	30	......	4	1.5	13.3
17½	11	Assam Cons.	16½	......	6	1.4	12.1
78	60	Assam Dooars (£1)	78	......	2	ϕ	2.6
63¾	45	Assam Frontier (£1)	60	......	8	ϕ	13.3
78¾	63	British India (£1)	63	......	9	1.0	14.3
55	46	Chubwa (£1)	55	......	3½	0.7	4.6
306	248	Cons. Tea & Land (£1)	286	......	30	U1.1	10.5
71	57½	Darjeeling Co. (£1)	71	......	9	1.1	12.7
52¾	37	Deundi (£1)	37 xd	−1	7	ϕ	18.9
4⅛	2	Dooars (10p)	2	......	B—	—	—
5	3⅝	Empire of India (10p)	4	......	B—	—	—
20	15	Est. & Agency	15	......	10	0.8	16.7
36	31¼	Jetinga Val. (50p)	36	......	7½	2.4	10.4
57½	37	Jokai (£1)	46	......	6	1.3	10.9
96	60	Jorehaut (£1)	69	......	●6	U2.3	7.2
90	60	Kanan Devan (£1)	83	......	—	—	—
230	167	Longbourne (£1)	167	−3	30	1.4	18.0
102	56¼	McLeod Russel (£1)	100	......	5	2.1	5.0
60	51¼	Majuli (£1)	58	......	7½	1.5	13.4
63	49	Makum (50p)	53	......	15	0.4	14.1
62	49	Moran (£1)	62	......	4	U1.4	6.4
22½	21	Nedeem (£1)	22	......	B—	—	—
30	28	Scottish Assam (£1)	29	......	—	—	—
6	4	Singlo (10p)	5	......	—	—	—
52½	34	South'n India (£1)	34	......	2½	U1.6	7.3
242½	175	Travancore (£1)	183	......	20	1.2	10.9
62	39	Warren Tea (£1)	52	......	6	2.5	11.5
58	45	West Dooars (£1)	58	+1	2	—	3.4
71	51½	Williamson (£1)	70	−1	6	7.3	8.6

TEAS—Continued

Ceylon—

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
68	54	Bogowantalawa £1	57	......	10	1.0	17.5
7¼	4½	Central Prov.	6½	......	5	U1.8	22.7
140	101¼	Ceylon Plants (£1)	126	+4	20	ϕ	15.9
30	18⅛	Demodera	30	......	—	—	—
43	35	Dimbula Valley £1	38	......	3	2.5	7.9
6	4¾	Galaha (20p)	6	......	4	U1.5	13.3
5½	2½	Gen. Ceylon (10p)	5½	......	2	U1.5	3.0
145	77½	Haputale Ceylon £1	130	......	●4	—	3.1
46	32½	Lanka (£1)	46	......	5	1.2	10.9
60	57	Lunuva (£1)	47	......	3	1.5	6.4
25	21	Nuwara Eliya (£1)	26	......	2½	9.5	9.6
36	28¾	Uva High £1	36	......	3½	ϕ	9.7
125	82½	Pelmadulla £1	118	......	21	1.2	17.8
11¼	9½	Rajawella Hdg. 50p	10½	......	B—	—	—
13⅛	9⅜	Rosehaugh	11	......	5	0.4	11.4
4⅜	4	Scot. Ceylon	4	......	—	—	—
21¼	15	Scot. Tea & Lds £1	16	......	2½	ϕ	16.6
51	36	Standard £1	51 xd	......	5	1.3	9.8
5	3¾	Tea Corporation	3¾	......	—	—	—

MINES—CENTRAL RAND

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
95	70	Durban Deep (R1)	93	+3	‡14c	2.0	‡
110	68	East Rand Prp. (R1)	93	......	‡4c	9.4	‡
26	21	Leopards V1. (10p)	28	......	2c	ϕ	4.2
15	9	Rand Leases (2½c)	13	......	—	—	—
90	66¼	Randf'n'n Est. (R2)	62	+2	‡4c	1.5	‡
56¼	45	Robinson Deep (2½c)	60	......	‡4½c	1.2	‡
26¼	20	Simmer (2c)	25	......	—	—	—
40	33	West Rand (R1)	35	......	10c	2.5	16.7

EASTERN RAND

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
63	45	Bracken (R1)	52	+1	‡18c	0.9	‡
10	8½	Daggafontein (50c)	9	......	—	—	—
29	21¼	East Dagg. (R1)	29	+2	†11c	1.0	22.1
15	11	East Geduld (24c)	11	......	14c	—	74.2
15½	10	G'vnm't Areas (2½)	11	......	‡20c	1.0	‡
22	17½	Grootvlei (25c)	20	......	†4.5c	2.2	15.1
113½	84	Kinross (R1)	95	......	‡14c	1.9	‡
46¼	30	Leslie (R1)	35	+1	‡14c	0.8	‡
75	53	Marievale (R1)	65	......	‡25.5c	1.0	‡
88	63	S. African Ld. (35c)	88	......	†35c	0.7	23.2
59	46	Sub Nigel (24c)	59	+1	22c	ϕ	21.7
45	34	Vlakfontein (R1)	45	+2	20c	1.0	25.9
179	121¼	Winkelhaak (R1)	176	......	11c	1.7	3.6
6	4½	Wit Nigel (25c)	4½	......	—	—	—

FAR WEST RAND

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
164	132	Blyvoor (25c)	154	+1	24c	ϕ	9.1
330	215	Buffels (R1)	235	+5	34½c	ϕ	8.4
237	162	Doornfontein (R1)	187	......	21c	ϕ	6.5
202	160	East Drie. (R1)	192	+4	—	—	—
203	155	Do. Comb. Units	175	......	—	—	—
72	58¼	Elsberg (R1)	66	+1	—	—	—
235	137½	Hartebeest (R1)	235	+10	8c	ϕ	2.0
291	223¾	Kloof Gold (R1)	282	+4	8c	ϕ	1.6
290	215	Do. Comb. Units	260	......	8c	ϕ	1.7
226	170	Libanon (R1)	185	+5	37c	ϕ	11.7
41¼	33	Stilfontein (50)	37	+1	5c	2.2	7.9
585	460	Vaal Reefs (50c)	585	+6	50c	2.5	5.0
62	50	Venterpost (R1)	57	......	25c	ϕ	25.6
£10⅛	812½	W. Drie (R1)	990	+15	108c	ϕ	6.3
665	587½	WRIT (R1)	665	+2	47½	1.4	3.2
985	806	West Wit. (25c)	900	+25	45c	ϕ	2.9
105	71¼	Western Areas (R1)	89	+1	6c	2.9	3.9
515	450	Western Deep (R2)	455	+10	65c	1.6	8.3
286	222½	Western Reef (50c)	286	+15	25c	2.8	5.1
59	25	Zandpan (R1)	51	......	—	—	—

O.F.S.

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
62	36	Free State Dev. 50c	50	......	2c	6.5	3.3
720	570	F. S. Geduld (50c)	600	......	‡140	1.2	‡
85	70	Harmony (50c)	75	......	16	ϕ	12.7
31	25½	Loraine (R1)	27	+1	—	—	—
720	600	OFSIT (R1)	680	+5	77½	1.4	6.6
565	497	Pres. Brand (50c)	515	+5	‡115c	1.2	‡
292	214	Pres. Steyn (50c)	273	+7	15c	3.3	3.2
677	460	St. Helena (R1)	575	+5	‡70c	1.1	‡
25	19	Virginia (50c)	.1	......	6c	1.4	16.8
112	85	Welkom (50c)	100	......	18½c	1.3	10.8
950	712½	W. Holding (50c)	915	+5	160c	1.2	10.2

FINANCE

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
360	286	Ang-Amer (10c)	358	−2	16c	1.9	2.6
840	587½	Ang-Vaal (50c)	785	+5	55c	ϕ	4.1
271	208	Charter Con.	242	−6	32	1.8	3.3
285	213½	Cons. Gold Fields	260	......	29.2	2.1	2.8
140	114	Corner House (R2)	140	......	11c	3.6	4.6
25	18	East Rand Con. 10p	24	+1	12½	U1.3	5.2
205	170	Geduld Inv. (R1)	192	......	19½c	1.9	5.9
£101⅛	756¼	Gen. Mining (R2)	£101⅛	......	80c	1.8	4.6
£17½	£12¼	Joburg Cons. (R2)	£16¾	−¼	85c	ϕ	3.0
115	65	Lonrho	90	+2	‡26	2.1	7.3
257	167½	Middle Wit. (25c)	185	−2	9c	2.2	2.8
80	65	New Wit. (50c)	76	......	8c	1.8	6.1
675	561¼	Rand Selection (50p)	665	......	42½c	1.5	3.7
780	500	Selection Trust	720	......	72	1.5	2.5
99¾	65⅝	Sentrust (10c)	81	+1	11c	1.2	7.9
140	125	S. W. Africa (20p)	125	......	†50	1.1	8.0
147½	120	U. C. Invest (R1)	142	+1	12c	1.2	5.0
225	178	Union Corp. (6.25c)	198	−1	12c	2.1	3.5
£12⅞	987½	Vereeniging (R2)	£12	......	55	1.1	5.4
52	42½	Vogels (2½c)	45	......	5c	1.0	6.5

DIAMOND

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
£22¼	£17¼	Anglo Am. Inv. 50c	£17¼	......	145c	1.0	4.9
273	87	CAST	225	−5	‡40	2.8	‡
258	207	DeBeers Df. (5c)	210	+5	14c	1.5	3.9
£14	£12½	Do. 40pc Pf. (R5)	£13¼ xd	+⅛	40	46.0	8.8

PLATINUM

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
110	80	Lydenburg (12½c)	98	......	9.9c	1.1	5.9
212	128	Pot. Plat. (2½c)	180	......	15.4c	1.0	5.0
160	100	Union Plat. (10c)	135	......	14.8c	1.0	6.4
176½	107	Waterval (5c)	145	......	15.7c	1.0	6.3

CENTRAL AFRICAN

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
97	74	Coronation (25c)	74	−2	—	—	—
42½	26	Falcon	32	......	‡15	1.6	‡
94	60	Globe Phoenix (2½p)	68	......	—	—	—
17½	13	Rhod-Corp. 16⅔p	17½	......	6	2.0	4.8
268	115	Roan Cons. (K4)	262	+2	Z26.8	—	22.2
230	155	Tanganyika (50p)	183	......	25	1.2	6.8
85	45¼	Do. Pref. (80p)	80	......	9	16.4	9.0
123	96¼	Wankie Coll. (SR.1)	122	−1	19.6	ϕ	9.4
260	148¾	Zam. Ang. SBD1.40	236	−4	75.4	ϕ	—
46	33½	Zam. Cpr. SBD0.24	41 xd	−1	10	—	24.4
95	75	Zambesia Cons. 50p	60	......	8.5	ϕ	4.6

AUSTRALIANS

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
15	6	Acmex (25c)	6	......	—	—	—
9	4⅜	Acmin Expln (25c)	6	......	—	—	—
18	6	Alliance Oil (50c)	13	−½	—	—	—
13	7	Alliance Pet (50c)	10	......	—	—	—
18	6⅝	Allstate Ex. (P/Pd)	9	......	—	—	—
9¾	3	Apollo (P/Pd)	3	......	—	—	—
13⅛	3	Aust. Wide (20c)	4½	......	—	—	—
7½	1	Do. Opts.	1	......	—	—	—
175	139	B. H. South (50c)	153	+1	‡14c	1.7	‡
4	1½	E. Coast Mins (10c)	2	......	—	—	—
57	8½	Eastmet Mins (20c)	14	......	—	—	—
10	4½	Genoa (P/Pd)	5	......	—	—	—
5⅝	2½	Gold C'pp'r Ex (15c)	6	......	—	—	—
35	10	Gold & Min. Ex. (10c)	12	......	—	—	—
28¼	17½	Gold M. Kalg ($1)	24	......	—	—	—
150	84	Gt. Boulder (10c)	69	......	—	—	—
2¾	1	Greenvale (30c)	1½	......	—	—	—
150	98½	Hampton Areas 5p	122	......	—	—	—
42	22	Hampton Props 5p	30	......	—	—	—
3⅛	1½	Hartog Oil (P/Pd)	2	......	—	—	—
7½	2½	Kambalda M. (10c)	2½	−½	—	—	—
29	9	Laverton Nk (P/Pd)	12½	......	—	—	—
4¾	2	Leo'ra NKL P/Pd.	2	......	—	—	—
440	7½	Leopold (50c)	9	......	—	—	—
13	2½	Magnum Ex. (P/Pd)	8	......	—	—	—
55	6	Mallina Mg. (50c)	31	......	—	—	—
325	212½	Metals Ex. (50c)	234	−6	—	—	—
96	45	Metramar (20c)	45	......	—	—	—
27½	11	Mid East Min P/Pd	11	......	—	—	—
8	5	Minefield Ex. (P'd)	5½	......	—	—	—
66¼	15	Mining Finances $1	20	−1	—	—	—
205	149	M.I.M. Hlds. (50c)	152	+1	‡15c	1.4	‡
107½	65	M. Lyell (25c)	73	+1	10c	ϕ	6.6
690	455	New Broken Hill	475	......	60	—	2.2
18⅛	6½	Newmetal (10c)	7	......	—	—	—
101¼	74	North B. Hill ($1)	76	......	47.5	1.5	4.6
78¾	37	North Kalg (30c)	39	......	—	—	—
35	18	Nthn. Mng. (P/Pd)	18	......	—	—	—
2½	1	Olympus Pet (P/pd)	1½	......	—	—	—
140	47½	Pacific Cpr. (25c)	100	......	—	—	—
16¼	6	Paringa M. & Ex. 5p	7	......	—	—	—
527½	407	Peko-Wallsend (50c)	425	......	†14c	4.3	1.5
£22	912½	Poseidon (20c)	£11½	......	—	—	—
£14	650	Queensland (50c)	950¢	......	—	—	—
21	10	Scamander (25c)	10	......	—	—	—
20	4	Sedimentary U (50c)	4	−1	—	—	—
6	1⅞	Target Pet. (P/Pd)	4½	......	—	—	—
47	28	Vultan Min. (50c)	33	−2	—	—	—
58	17	Westmex (10c)	17	......	—	—	—
247	150	W. Mining (50c)	152	−2	12	ϕ	1.9
335	41⅞	Whim Creek (20c)	215	+5	—	—	—

TIN—EASTERN

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
91¼	70	Ayer Hitam	90	......	†1a60	U1.3	‡8
212	161¼	Berjuntai $M2.5	208	−2	80.4	ϕ	13.1
160	125	Gopeng Cons.	160	......	72½	1.0	11.5
85	75	Hongkong	75	......	—	—	—
37	31⅞	Idris (10p)	35 xd	......	31½	1.1	8.9
44	31	Kamunting 15p	44	......	58.3	1.0	19.9
90	83	Killinghall	87	+4	—	—	—
140	110	Malay Dredging	140	......	†45	1.1	8.0
63	47	Pahang	53	......	‡23.3	1.2	‡
36	29	Pengkalen (10p)	35	......	87½	U1.1	25.0
58	43¾	Petaling ($M1)	58	......	5	—	1.2
82	62½	South Kinta (10p)	81	−1	93½	0.8	11.5
85	63¾	Sthn. Malayan	82	......	50	1.0	15.2
60	32	Sungei Besi (20p)	49	......	—	—	—
15	11⅞	Sungei Way ($M1)	15	......	10	1.5	7.9
29	23	Tanjong (15p)	28 xd	......	†37½	0.8	20.1
36	33⅛	Tongkah Harb M$1	35	......	‡12½	0.3	‡
56	45	Tronoh	56	......	15	U1.4	6.7

TIN—NIGERIAN

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
20	12½	Amalgamated	16	......	5	—	7.8
17½	5½	Ex Lands (10p)	5½	−½	—	—	—
6¼	5	Gold & Base (12½p)	5	......	—	—	—
6¼	5	Jantar (12½p)	5½	−½	—	—	—

TIN—MISCELLANEOUS

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
315	228	Beralt Tin	234	......	84	2.0	9.0
6⅞	4½	Fabulosa (US$1)	4½	......	—	—	—
340	218	Geevor	220	......	‡120	1.3	‡
128	101	London Tin (20p)	110	−5	42½	1.1	7.7
68½	61	St. Piran	62	......	20	1.4	8.1

COPPER

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
111	75	Esperanza (12½p)	78 xd	+3	‡50	1.5	‡
13⅛	10	Indian (10p)	12	......	11.1	3.0	9.5
296	237½	Messina (R0.50)	264	−4	‡90	2.0	‡

MISCELLANEOUS

1971 High	Low	Stock	Closing Price p	+ or −	Div. % or amount	Times covered	Gross yield %
7⅞	5	Burma Mine (17½p)	6	......	—	—	—
26	17½	Cent. Prov Mn (12½p)	21	......	ta10	ϕ	10.1
31	13	Charterhall (5p)	17	......	—	—	—
612½	375	Cons. Murch. (10c)	410	−5	‡80c	2.1	‡
£79	£73⅝	G. F. Mg. Ind. Db.	£79	......	7½	58.0	10.4
565	406	Northgate (C$1)	450	+10	50c	2.2	4.6
270	210	R.T.Z.	223	−4	24	1.8	2.7
295	89⅝	Sabina Mines (C$1)	220¢	......	—	—	—

For Notes, see Stock Exchange Dealings.

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Lombard

Threat to the $—sterling's position

BY C. GORDON TETHER

AT THE MOMENT, the weakness of the dollar is throwing up major policy issues only for countries like France and Japan whose currencies are widely regarded as revaluation suspects in their own right, so to speak. But it will be a very different matter if the situation so develops that the U.S. is compelled to take the initiative in establishing the value of the dollar at a more realistic level. For in those circumstances many other countries — including Britain—will find themselves having to decide whether to follow the dollar down the whole or part of the way.

When the spring-time upheaval in the international dollar market culminated in a series of revaluations and floats in major European currencies, it looked as though the problem presented by the over-valuation of the dollar might be solved in the manner the U.S. has always wanted it to be—through a general advance of appropriate size in the values of other currencies.

Holding out

Unfortunately for the U.S., a number of the countries that would have to participate in this process to carry it anywhere near completion—notably France and Japan—are displaying an increasing determination not to collaborate in getting the dollar off the hook in this way.

This digging in of heels is creating serious immediate problems for the countries that are doing it. For the emergence of their currencies as the "best bets" for revaluation in relation to the dollar has put them under pressure to decide between making bigger and bigger efforts to curb the highly embarrassing speculation in their currencies and abandoning the fight to preserve their parities in the way the Germans did earlier on.

But there are no such worries at present for countries outside the principal "revaluation suspect" class. For since they could not contemplate raising the values of their currencies in terms of the French franc or the Japanese yen, they clearly have no choice but to watch and wait.

Less easy

What they should be starting to think about, however, is what they will do if the continuing refusal of the rest of the world to provide the U.S. with adequate relief through revaluations from payments difficulties generated by the over-valuation of the dollar eventually forces Washington to complete the process itself.

If that happens, those countries whose currencies are manifestly under-valued in relation to the dollar at present parities—and they include Denmark, Belgium, and Italy as well as France and Japan—would presumably jump at the opportunity so provided to effect a more or less painless revaluation against it. But in those many other cases where under-valuation against the dollar is not so marked, it would be much less easy to decide whether to follow the dollar down and, if so, to what extent.

Of crucial importance here—for it would certainly have a big influence on the thinking of those other countries that were experiencing difficulty in making up their minds—would be the decision taken by the U.K. The continuing strength of the U.K.'s balance of payments and the fact that the flight from the dollar is manifesting itself to some extent in a movement of money into London might suggest that even the £ is now a serious candidate for revaluation against the dollar.

Gap narrows

However, examination of the way in which U.K. export prices have behaved during the past year in relation to those of the U.S. suggests that, for all the official talk about the strength of the £ the British authorities might now be found extremely reluctant to run the risk of revaluing it against the dollar even in very modest degree.

At the end of 1969 British exports were some 13 per cent. more competitive against America's than they had been in the early 1960's, thanks to the 1967 devaluation of the £ and the fast rate of U.S. inflation. But since then the gap has been contracting rapidly—so rapidly that the advantage retained by British exports is now no greater than about 5 per cent.

It looks, in short, very much as though the £ is going to stay linked with the dollar at its present parity whether America's overdue devaluation is effected by other countries or through unilateral action by the U.S. itself.

THE LEX COLUMN

Index rose 5.4 to 394.9

Shell confirms its 1971 prospects

Shell's second quarter earnings gain of 15.7 per cent. (to £105.6m.) is slap in line with Texaco's, just half the rate of Esso, and a relief after the 20 per cent. decline from Shell Oil of the U.S. The results put the outlook for the year broadly back where it was after the first quarter figures, with a 15.5 per cent. net increase for the first half and a rise of something between that and 20 per cent. likely for the year—with the rest of the world fully compensating the likely shortfall in the U.S. The second quarter has already seen a fall of perhaps five points in the rate of increase in both unit costs and revenues per unit (against the comparable period): the reason for expecting better margins in the second half of the year is simply that unit costs (above all transport costs) are expected to drop relative to unit sales.

On balance this result must have bullish implications for the outcome from BP for the year. Forgetting its gearing, BP's short-term bull points over Shell are the absence of a poor U.S. result and its lesser commitment to the dragging chemical industry. However the price/cost play looks like being far less advantageous to BP in the second half of the year. Its relative lack of long-term contracts and heavy fuel oil content will be a weakness as prices ease just as they were its strength in the second half last year: equally its scope for cost savings relative to 1970 looks smaller than Shell's. Still that need not prejudice the chance of a prospective p/e of 15, which would seem fair against 12½-13 for Shell, up 5p to 408p yesterday.

See also Page 14

Glynwed

Twyfords must be squirming, just a little, after to-day's interim from Glynwed which took the latter's shares up 11p to 173p and the value of its bid for Twyfords (formal offer next week) up to 109p against the original 101p nearly a month ago. If the best form of defence were offence, Twyfords might find it hard to knock Glynwed with its half-year profits up 34 per cent. to £3.37m. before tax. This takes in 12 per cent. for internal growth and the rest for a clutch of smallish acquisitions which lifted the equity by only 12 per cent.—but, just the same, made a comfortable dent in the debt-equity ratio of 1.56:1 that raised the odd eyebrow last December 31.

Internally, Glynwed has had further profit growth from Allied Ironfounders, helped by the exit of Ideal Standard from the cast iron bath market; the lower copper price, on balance, was probably a good thing since Glynwed keeps a tight stock position and the offtake from the building industry has been good. The same should apply to the second half, but Glynwed is not raising high hopes about motor industry demand and its forecast of profits "at least" double the first half total should not be taken as over-cautious. That, however, is not going to matter much with prospective earnings of 11.7p putting Glynwed on a p/e of 14.6. The question for next week is whether Twyfords has enough up its forecasting sleeve to make an historic exit p/e of 16.4 look sick; the market, with Twyford's 2p better at 110½p last night, seems to rate this a reasonable outside chance.

See also Page 14

ICI/Carrington

ICI's purchase of the three main yarn processing subsidiaries of Carrington Viyella might have been the occasion to start the promised reduction of the 64 per cent. ICI holding. But in the event the group has settled for £10m. cash—cancelling CV shares would involve legal complications, and anyway ICI would not feel too happy about doing a deal with CV at 38p when it had paid effectively 56p. Moreover the cash will be highly welcome to CV, given its end-1970 overdrafts of £22.7m.

For CV, then, the deal means saving interest of say £800,000, plus royalties of at least £350,000 annually for five years, in exchange for yarn processing profits which this year will be "lower" than the £1.6m. or so pre-interest for calendar 1970. For ICI the return on the £22.5m. to be invested in Qualitex plus the CV trio would appear to be meagre. Yet it has its new combined drawing and bulking process to cut costs, and (with Qualitex) the opportunity to step up the throughput of its own fibres.

Raybeck

The Raybeck share price has been in season again lately, charging up from 73p to 93p in the seven trading days to last Tuesday. Subsequently it has subsided, slightly, to 90p by last night but the market should find itself on a firm footing after the 1970-71 results, and details of the Werff retail acquisition.

On the face of it, neither the results nor the acquisition provide much additional fodder for the bulls. Profits of £1.435m. against £1.31m. pre-tax, with maybe, a £100,000 contribution from the Bradmore acquisition largely offsetting the effects of the postal strike on Raybeck's mail order customers, show the sort of solid internal growth that the market has been used to for years; as for Werff, the expenditure of £800,000 for profits of £84,000 could be related to a p/e, for Raybeck, of 11¾ on earnings of 7.67p a share—pro forma for a full year of Bradmore and Werff, and fully diluted.

However, earnings this year should be due for a double boost, first from the integration of Bradmore and Werff, the latter coming in at asset value and cheap in the sense that Raybeck is getting 23 more retail outlets (making 200) for a little over £400,000, and a little under £400,000 in current assets which could be employed more intensively; secondly, there is the prospect of renewed growth in mail order from a depressed level. All told, Raybeck could be heading for £1.9m. to £2m. pretax with a retail contribution of up to 45 per cent. against 25 per cent. in 1969-70; with or without a re-rating, that could only be good for the shares.

See also Page 16

Weather

U.K. TO-DAY

Scotland and Northern Ireland will have showers with isolated thunderstorms, Northern England and North Wales sunny spells and isolated showers. Southern England and S. Wales sunny spells early but rain later. It will be rather cool.

London, S.E., E. Anglia, Cent. Eng., E. Mid.
Sunny spells early, cloudy, rain at times later. Max. (68F).

South-West, S. Wales, W.
Becoming cloudy with rain at times, heavy in places. Max. (64F).

Channel Is.
Showers, sunny spells. 19C (66F).

E., N.E. and Cent. N. Eng.
Isolated showers, sunny spells. Max. 19C (66F).

N. Wales, N.W. Eng., L. of Man, N. Ireland, S.W. Scot., Glasgow, Argyll
Isolated showers, sunny spells, especially in afternoon. Max. (61F).

Borders, E. Scot., Edinburgh
Showers, isolated thunderstorms, sunny spells. Max. (61F).

Cent. Highlands, N.W. Scot., Dundee, Caithness
Cloudy, rain or showers, isolated thunderstorms. Max. (59F).

Orkney, Shetlands
Cloudy, rain heavy at times, perhaps thunder. Max. 12C (54F).

Outlook: Rather cool, scattered showers and sunny spells.

BUSINESS CENTRES

		Y'day Mid-day °C	°F				
Amstrdm.	F	21	70	Madrid	S	[illegible]	[illegible]
Bahrain	S	32	90	Manchstr.	C	[illegible]	[illegible]
Beirut	S	30	86	Melbourne	C	[illegible]	[illegible]
Belfast	R	16	61	Milan	S	[illegible]	[illegible]
Belgrade	S	30	86	Montreal	C	[illegible]	[illegible]
Berlin	C	24	75	Moscow	F	[illegible]	[illegible]
Birmghm.	F	19	66	Munich	F	[illegible]	[illegible]
Bristol	F	19	66	Newcastle	F	[illegible]	[illegible]
Brussels	F	23	73	New York	S	[illegible]	[illegible]
Budapest	F	30	86	Oslo	C	[illegible]	[illegible]
B. Aires	S	15	59	Paris	C	[illegible]	[illegible]
Cairo	S	34	93	Prague	C	[illegible]	[illegible]
Cardiff	F	19	66	Reykjavik	C	[illegible]	[illegible]
Cologne	F	25	77	Rio de J'o.	S	[illegible]	[illegible]
Copnhagn.	S	22	72	Rome	S	[illegible]	[illegible]
Dublin	C	17	63	Singapore	C	[illegible]	[illegible]
Edinburgh	C	19	66	Stockholm	C	[illegible]	[illegible]
Frankfurt	C	23	73	Strasbourg	F	[illegible]	[illegible]
Geneva	S	21	70	Sydney	C	[illegible]	[illegible]
Glasgow	R	16	61	Tehran	S	[illegible]	[illegible]
Helsinki	F	23	73	Tel Aviv	S	[illegible]	[illegible]
H. Kong	C	27	81	Tokyo	S	[illegible]	[illegible]
Jo'burg	S	17	63	Toronto	S	[illegible]	[illegible]
Lisbon	F	24	75	Vienna	S	[illegible]	[illegible]
London	R	19	66	Warsaw	F	[illegible]	[illegible]
Luxembrg.	R	22	72	Zurich	R	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F				
Ajaccio	S	28	82	Jersey	C	[illegible]	[illegible]
Alxndria.	S	30	86	Las Plms.	S	[illegible]	[illegible]
Algiers	S	31	88	Luxor	S	[illegible]	[illegible]
Athens	S	33	91	Majorca	S	[illegible]	[illegible]
Barcelona	S	28	82	Malaga	S	[illegible]	[illegible]
Biarritz	F	23	73	Malta	S	[illegible]	[illegible]
Blackpool	C	17	63	Nairobi	S	[illegible]	[illegible]
Bordeaux	C	20	68	Naples	S	[illegible]	[illegible]
Boulogne	F	19	66	Nassau	S	[illegible]	[illegible]
Casablanca	S	31	88	Nice	S	[illegible]	[illegible]
Cape Tn.	C	11	52	Nicosia	St.	[illegible]	[illegible]
Corfu	S	31	88	Oporto	C	[illegible]	[illegible]
Dubrovnik	S	33	91	Rhodes	S	[illegible]	[illegible]
Faro	S	23	73	Salzburg	S	[illegible]	[illegible]
Funchal	S	25	77	St. Moritz	S	[illegible]	[illegible]
Gibraltar	S	27	81	Tangier	S	[illegible]	[illegible]
Guernsey	C	17	63	Tenerife	S	[illegible]	[illegible]
Innsbruck	F	25	77	Tunis	S	[illegible]	[illegible]
Inverness	R	14	57	Valencia	S	[illegible]	[illegible]
I. of Man	F	17	63	Venice	S	[illegible]	[illegible]
Istanbul	S	30	86				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sh.—Showers. St.—Stormy.

DTI denies 'Davies lost UCS £120m. orders'

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, August 5.

THE Department of Trade and Industry to-night firmly denied a suggestion by shop stewards at Upper Clyde Shipbuilders that Mr. John Davies, the Secretary of State, had "intervened and stopped" negotiations for new orders.

Earlier to-day, Mr. James Reid, finishing trades convener at UCS's Clydebank yard, had alleged that Mr. Davies's intervention lost the company, now in liquidation, £120m.-worth of orders—and that subsequently he used its thin order book as a "justification for butchering our industry."

The Department said there was "no truth" in the allegation. The UCS directors' decision to seek liquidation had "automatically brought to an end discussions on new orders."

The orders to which Mr. Reid had referred were in fact product carriers and "Clyde" cargo ships of which UCS has seven on the stocks.

Mr. Kenneth Douglas, managing director, has mentioned the possibility of orders for 20 product carriers at over £5m. apiece, but it is understood that the negotiations were in early stages when UCS went into liquidation on June 14.

Memorandum

Mr. Reid also claimed that the shop stewards had actually seen the memorandum said to have been prepared by Mr. Nicholas Ridley, Under-Secretary at the Department for Trade and Industry, in November, 1969, suggesting the eventual dismemberment of UCS.

"We have seen the Ridley document," said Mr. Reid. "We know it exists and will publish it at the appropriate time."

He added, however, that should Mr. Davies accept the proposals put forward by Mr. Harold Wilson in Glasgow yesterday and again in the Commons this afternoon, the shop stewards would be willing to abandon their "work-in" immediately.

Mr. Wilson has suggested that the Government should guarantee the existence of UCS as it is now for a fixed period of, say, five years and back it with "pre-production" orders.

The Government's plan, based on the recommendations of its four advisers, provides for a one-yard company with less than a third of UCS's present labour force.

"We'll fight this plan all the way," Mr. Reid promised.

At Clydebank, due to close in March under the plan, shop stewards were to-day speaking of money and cheques "pouring in." Some of the money and cheques were on view for all to see.

Workers at three Scottish shipyards—Hall Russell, Aberdeen; Caledon, Dundee; and Scott Lithgow on the Lower Clyde, have agreed to a voluntary levy to support the fight to retain UCS and its labour force intact, said Mr. James Airlie, chairman of the joint shop stewards' committee.

Next Tuesday, West of Scotland shop stewards from a large number of factories and workshops will be asked to introduce similar levies at their place of work. The Hall Russell contribution, said Mr. Airlie, amounts to about £350 a week, a minimum of 25p per worker.

Two unions, the Scottish miners and the Scottish committee of the Transport and General Workers, have donated £1,000 each to the fund and unions in other parts of the country have been asked to follow suit

Redundancies

The time when the funds will be needed is rapidly approaching as the shop stewards intend to "re-employ" all workers to be declared redundant by the liquidator, Mr Robert C. Smith. Up to 400 redundancy notices are expected to go out within the next fortnight.

This evening, a spokesman for Mr. A. D. Kelly, former owner of Ardrossan Dockyard (who is negotiating with the liquidator for the Clydebank yard) said a meeting with the UCS shop stewards planned for to-day had not materialised because the stewards wanted to discuss UCS as a whole. "Mr. Kelly was not in a position to do this," said the spokesman.

● In the Commons yesterday, Mr. Davies said in a written reply that approaches had been made to the Official Liquidator by prospective purchasers of assets of Upper Clyde Shipbuilders. He was unable to disclose the nature of the approaches but added: "The Government does not rule out the possibility of financial assistance to purchasers."

The question of responsibility, Page 13

Airlines wide open on Atlantic air fares

By Our Own Correspondent

MONTREAL, August 5.

IT IS now regarded as quite possible that the five weeks of bargaining over air fares may end this week here with a deadlocked "open rate" situation on the key Atlantic route.

The fare package negotiations, ballasted by the presence of nearly 20 airlines' top executives, have been going on with day and night sessions, but the International Air Transport Association members are still far apart on the proposals.

IATA spokesmen said the airline negotiators, both top-level personnel and regular officials, "cannot stay in Montreal forever" trying to reach a compromise.

The open-rate situation would allow airlines to charge any fare the market would bear to fill empty plane seats with passengers now being siphoned off by the charter firms.

It is believed one of the stumbling blocks concerns youth fares where a price war started this summer.

Some airlines argue that after the initial rush for cheap seats, many of these travellers would have paid so-called normal fares anyway.

U.S. LINES' AGENT

International Marine Management (U.K.) has been appointed the United States Lines' port and operations agent at Felixstowe.

A weekly sailing is scheduled from Felixstowe to the U.S. east coast, U.S. west coast and the Far East.

Single SE for U.S. urged

BY JUREK MARTIN

NEW YORK, August 5.

THE best interests of the *United States require* that a single, national auction market for the trading of securities be created as soon as possible, according to Mr. William McChesney Martin, whose keenly-awaited report on the future of the American securities industry is to be released to-morrow.

This recommendation, perhaps the most far-reaching in Mr. Martin's study, is by no means the only one that will set Wall Street and all the other financial centres of the country talking in the next few months.

Among other things, he has concluded that institutions should be prohibited from membership of the stock market, that the NYSE should be completely overhauled to give the investing public more say in the conduct of its affairs, and that there is reason to believe that negotiated commission rates on stock transactions may not be desirable.

Mr. Martin was asked to write his report six months ago by the NYSE. He was head of the Federal Reserve for 19 years and a former chairman of the NYSE.

The aim, he says, would be to provide a single market for each listed security, though there could be two or more tiers depending on the standards required for listing.

If securities are not listed, they should be traded over-the-counter. It should not be possible for any stock to be quoted on both a listed and over-the-counter market.

Mr. Martin recommends that a committee of experts be appointed to examine, plan and design a national stock exchange; and acknowledges that it could require new legislation.

He does not say bluntly that this would mean the end of the individual exchanges as they are now known, but implies that in the long run this could be the effect.

Pending the formation of a national exchange, he recommends that the NYSE itself should be drastically overhauled, the Board should be reduced from its present 33-man strength (29 of whom are brokers) to 21—a paid chairman, 10 from the broking comunity and 10 from the investing public, including officials from listed companies.

Prime business

Mr. Martin suggests that the exchanges would not be made more responsive by institutional membership, and reaffirms "the necessity of recognising and preserving the difference between the securities business and other business."

The prime business of members of stock exchanges, he says, should be broking and dealing, and not as subsidiaries of banks, insurance companies and so on. He also recommends that brokers be forced to divest themselves of any captive mutual fund operations they now manage.

He does not, however, go so far as to suggest that the functions of broking and money management should be divorced.

Concerning negotiated commission rates, currently in force on the NYSE on orders of over $500,000, Mr. Martin fears that negotiated, as opposed to fixed, rates could drive the smaller broker out of business. But he suggests the current experiment demands close study before any decision on whether to extend or curtail it.

One point of interest to British and European brokers is Mr. Martin's recommendation that the NYSE should consider dropping its ban on exchange membership by foreign firms. However, he observes that foreign institutions, like their domestic counterparts, should be excluded.

Alternative proposals will be considered—Whitelaw

BY PHILIP RAWSTORNE

GOVERNMENT assurances that alternative proposals for the future of Upper Clyde Shipbuilders would be seriously considered were given to the Commons yesterday by Mr. William Whitelaw, Leader of the House.

Mr. John Davies, Secretary for Trade and Industry, would examine proposals put to him during his visit to Glasgow and any other suggestions, said Mr. Whitelaw.

He said that an appeal by Mr. Wilson, Leader of the Opposition, that the Prime Minister should visit Clydeside next month would also be given careful consideration.

Mr. Wilson had asked for an assurance that no action would be taken on the Government's closure programme until Mr. Heath had visited the area. "If the Prime Minister will go with an open mind and look at these problems and talk to these people, he will get a very different impression from that which he might have got through reading, rather hurriedly, documents which have been produced in the recesses of Whitehall."

Mr. Wilson said he had been in no doubt last week that the Government's decision was wrong. "I am much more convinced now."

Mr. Davies's visit to Glasgow must have left him "pretty shattered," Mr. Wilson said. "When the Prime Minister is in Scotland next month, he should make it his business to see all those who can help him in taking the right decision on UCS—management, trade unions, shop stewards and civic heads.

"I would hope he would really listen to them and then form his own view," said Mr. Wilson.

There would be no criticism of the Government if it changed course. The Opposition had proposed that the Government should take over financial responsibility for UCS for "a long enough period" because it believed that UCS was a viable concern.

The problem was one of acute cash flow: "It would be a crime now to strike it down and disintegrate it without giving it a chance," he said. "All the evidence I heard yesterday suggests it is likely to be viable and that it is being strangled because of the financial grip rather than any inefficiency of the yard."

Corfield and Haughton for TriStar talks to-day

BY RAY DAFTER

MR. FREDERICK CORFIELD, Minister for Aerospace, is to meet Mr. Daniel Haughton, chairman of Lockheed, this afternoon to review progress over the TriStar and Rolls-Royce RB-211 engine negotiations and to discuss the aircraft's market potential.

Mr. Corfield will want to know, in particular, how well the discussions over the supply of engines to Lockheed have been proceeding during the past 24 hours. Mr. Haughton said last night that the talks with Rolls-Royce (1971) management had been going well.

The Lockheed chairman, who had earlier met Lord Coles, chairman of Rolls-Royce (1971), said he was impressed with the development of the engine. "We are making good progress. Everything is coming along all right."

While the price Lockheed will pay for the engine has already been agreed ($2.99m. for a "ship set" of three for each aircraft, almost £549,000 more than the original contract price) other aspects of the engine contract have been the subject of detailed negotiation in Derby, I understand.

Among the details which may have had to be completed are the conditions of escalation and penalty clauses, guarantees, delivery schedules, and spares and servicing facilities.

Feather opens new stage in fight against Industrial Act

BY JOHN ELLIOTT, LABOUR EDITOR

A WARNING that the unions' battle against the Government's labour legislation now moves from the Parliamentary to the industrial arena was issued yesterday by Mr Vic Feather, TUC general secretary, within hours of the Industrial Relations Bill receiving Royal Assent and becoming an Act.

His comments came shortly after Mr. Lawrence Daly, general secretary of the National Union of Mineworkers, speaking at a conference in London, pledged continuing union opposition to the legislation and described the Government's proposed Code of Industrial Relations Practice as a "conglomeration of paternalistic and puerile platitudes."

Mr. Feather's comments, issued in a statement from TUC headquarters, said: "It would be wrong to believe that now the Act is on the Statute Book the dust will settle and trade unionists will co-operate in making it work."

The dust would not settle until the Act was repealed, said Mr. Feather — referring to the unions' determination that a future Labour Government will repeal the measures. He went on to warn that "trade unionists are entitled to use, and will use, every lawful and democratic means to secure that repeal."

Criticising the length of the Act—170 clauses and nine schedules—Mr. Feather added: "The simple framework of law on industrial relations now turns out to be half as long again as the Treaty of Rome." It would lead to "legal hair-splitting" in industrial relations.

Mr. Daly was addressing an Industrial Society conference on the Code shortly after Mr. Paul Bryan, Minister of State for Employment had described the Code in the phrase coined by Mr. Robert Carr, Secretary for Employment, as a "compendium of commonsense."

Mr. Daly retorted that a better description would be "a conglomeration of paternalistic and puerile platitudes designed to direct attention from the passing of the Bill into law." It was not a Code but "a Codeine designed to induce a state of stupefaction while the Industrial Relations pill is forced down our throats."

Although addressing a conference on the Code, Mr. Daly spent most of his time attacking the Act—indirectly confirming the view that once they have condemned the Code for being paternalistic union leaders have few other major objections to it and in fact mainly oppose it for its association with the legislation.

Mr. Carr is expected to make an announcement soon on his programme for implementing the various parts of the Act. During its Parliamentary stages the legislation was changed by some nine amendments of substance in the Commons and 17 in the Lords.

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Brick stocks drop as building activity rises

BY DAVID WALKER

BRICK STOCKS have continued to slump as the level of building activity has risen, according to provisional figures released yesterday by the Department of the Environment.

The total of 444m. at the end of June was virtually 50 per cent. down on the 849m. figure of 12 months earlier and the lowest since at least November, 1969. For May, the figure was 512m.

Despite complaints a month ago about a shortage of some kinds of bricks, however, brickmakers regard the downward movement as a return to normality for the industry following the low order level last year which led to mountains of stocks and a number of brickworks closures.

In any case, a rundown in stocks during the late spring and summer when building activity should be at its height is to be expected.

It is not long since a stock of 300m. bricks was regarded as ample, the Brick Development Association pointed out yesterday. Any recent shortages there may have been, it stated, had now been overcome by bringing in additional production facilities.

According to the DoE, total output in June amounted to 565m. bricks (533m. seasonally adjusted) against 543m. (521m.) the previous month, and 528m. (495m.) a year before.

Deliveries were up on the May total of 615m. at 634m. but below June, 1970, when the figure was 656m. In seasonally-adjusted terms, however, June saw a fall both on the previous month and on a year earlier. The figures are 519m., 533m., and 537m. respectively.

Overall, the statistics show that output is running evenly with demand, compensating for the poorer stocks position.

They tend to confirm earlier forecasts for the state of the construction industry, which suggests a steady rise in overall construction work this year but little change so far as housing, one of the main brick users, is concerned.

Cement production

Other figures from the Department yesterday show that cement production in June fell sharply from both the previous month and June, 1970. Average weekly output in the month stood at 350,000 metric tons against 378,000 and 371,000 respectively.

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